

By Mr. HERTER:

H. R. 6144. A bill for the relief of certain Latvians, Estonians, Lithuanians, Norwegians, and Polish persons; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 6145. A bill for the relief of Carl Weltlanner; to the Committee on the Judiciary.

By Mr. KING:

H. R. 6146. A bill for the relief of Chung Joe Seong, Chu Kwock Po, Chu Tung Shing, and Chu Tung Chou; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 6147. A bill for the relief of Riva Bunamavicius; to the Committee on the Judiciary.

By Mr. RAINS:

H. R. 6148. A bill for the relief of R. H. Hardin; to the Committee on the Judiciary.

By Mr. WHITAKER:

H. R. 6149. A bill to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors; to the Committee on Veterans' Affairs.

SENATE

FRIDAY, AUGUST 26, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Gerhard E. Lenski, pastor, Grace Lutheran Church, Washington, D. C., offered the following prayer:

Eternal and almighty God, whose we are and whom we serve, we lift our hearts and minds to Thee as we face the duties, the decisions, and the responsibilities that comprise this new day.

Let Thy mind be in us and Thy will clear before us. Make us more concerned to do the right than to have our own way. May we seek Thy divine approval rather than the praise of men. May we do this day such things as we will wish that we had done when finally we shall stand before Thee to render unto Thee our final account. So wilt Thou ever bless us as Thy servants and guide and keep us, even unto life eternal. Through Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. ELLENDER, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 25, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that Hon. E. E. Cox, a Representative from the State of Georgia, was elected Speaker pro tempore during the absence of the Speaker.

The message announced that the House had passed the bill (S. 936) to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes, with amendments, in

which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 2115) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the joint resolution (S. J. Res. 109) to amend the National Housing Act, as amended, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 5647. An act to prohibit the picketing of United States courts;

H. R. 5833. An act to clarify provisions of existing law relative to vocational training of veterans under Public Law 346, Seventy-eighth Congress;

H. R. 6022. An act to increase the rates of compensation of certain employees of the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes;

H. R. 6114. An act to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation, and known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma, and for other purposes; and

H. J. Res. 337. Joint resolution extending the time for payment of the sums authorized for the relief of the owners of certain properties abutting Eastern Avenue in the District of Columbia.

CALL OF THE ROLL

Mr. ELLENDER. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Byrd	Ives	Murray
Cain	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Pepper
Chapman	Johnson, Tex.	Reed
Connally	Kefauver	Robertson
Cordon	Kerr	Saltonstall
Donnell	Kilgore	Schoeppel
Douglas	Knowland	Smith, Maine
Eaton	Langer	Smith, N. J.
Ellender	Long	Sparkman
Flanders	Lucas	Stennis
Frear	McCarthy	Taft
Fulbright	McClellan	Taylor
George	McFarland	Thomas, Okla.
Gillette	McKellar	Thomas, Utah
Green	McMahon	Tydings
Gurney	Magnuson	Vandenberg
Hayden	Malone	Watkins
Hendrickson	Maybank	Wherry
Hickenlooper	Miller	Wiley
Hill	Millikin	Williams
Hoey	Morse	Young
Holland	Mundt	
Humphrey		

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from California [Mr. DOWNEY] are necessarily absent.

The Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. LEAHY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. NEELY], the Senator from Maryland [Mr. O'CONOR], and the Senator from Ken-

tucky [Mr. WITHERS] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent by leave of the Senate on public business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Nebraska [Mr. BUTLER], the Senator from New York [Mr. DULLES], the Senator from Michigan [Mr. FERGUSON], the Senator from Massachusetts [Mr. LODGE], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official business.

The VICE PRESIDENT. A quorum is present.

LEAVE OF ABSENCE

Mr. FLANDERS. Mr. President, I ask unanimous consent to be absent from the session of the Senate tomorrow because of a long-standing engagement to meet certain of my constituents.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. CAIN asked and obtained consent to be absent from the sessions of the Senate from Saturday noon, August 27, to 4 o'clock on Tuesday next.

Mr. LANGER asked and obtained consent to be absent from the sessions of the Senate from tomorrow, Saturday, until Tuesday next at 4:30 p. m.

Mr. SCHOEPPEL asked and obtained consent to be absent from the session of the Senate on Saturday, August 27.

On request of Mr. IVES, and by unanimous consent, Mr. DULLES was excused from attendance on the sessions of the Senate until Tuesday next.

Mr. MAYBANK asked and obtained consent to be excused from attendance on the session of the Senate between the hours of 1:30 and 3 p. m. today because of an important engagement in one of the departments, and also to be absent tomorrow.

Mr. MAYBANK subsequently said: Mr. President, earlier today I requested unanimous consent to be absent from the Senate tomorrow. I now ask unanimous consent to be absent for several days next week, also.

The VICE PRESIDENT. Without objection, consent is granted.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. ELLENDER, and by unanimous consent, the Committee on Foreign Relations and the Armed Services Committee, sitting jointly, were authorized to meet this afternoon during the session of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. ELLENDER. Mr. President, I ask unanimous consent that Senators may be permitted to present petitions and memorials, introduce bills and resolutions, and submit routine matters for the RECORD, as though the Senate were in the morning hour, and without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

S. 240. A bill to stimulate the exploration, production, and conservation of strategic and critical ores, metals, and minerals and for the establishment within the Department of the Interior of a Mine Incentive Payments Division, and for other purposes; without amendment and without recommendation (Rept. No. 958).

By Mr. KERR, from the Committee on Interior and Insular Affairs:

S. 477. A bill to authorize and direct the Secretary of the Interior to issue to Winfred DeCoteau a patent in fee to certain land; without amendment (Rept. No. 959);

H. R. 2706. A bill authorizing the issuance of a patent in fee to Susie Larvie Dillon; without amendment (Rept. No. 960);

H. R. 2920. A bill authorizing the issuance of a patent in fee to George Swift Horse; without amendment (Rept. No. 961);

H. R. 3616. A bill authorizing the issuance of a patent in fee to Lulu Two Spears Iron Bird; with an amendment (Rept. No. 962);

H. R. 3667. A bill authorizing the Secretary of the Interior to issue a patent in fee to Lenora Farwell Fritzler; without amendment (Rept. No. 963);

H. R. 3886. A bill authorizing the Secretary of the Interior to issue a patent in fee to Jeanette Pearl Burns; with an amendment (Rept. No. 964); and

H. R. 4254. A bill authorizing the Secretary of the Interior to issue a patent in fee to Sidney Blackhair; without amendment (Rept. No. 965).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS—AMENDMENT

Mr. MORSE submitted an amendment intended to be proposed by him to the bill (H. R. 4146) making appropriations

for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

COMPENSATION FOR CERTAIN GOVERNMENT EMPLOYEES—AMENDMENTS

Mr. MORSE. Mr. President, I submit amendments intended to be proposed by me to the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes, and I ask unanimous consent that the amendments, together with an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. The amendments submitted by the Senator from Oregon will be received, printed, and lie on the table, and, without objection, the amendments and the explanatory statement will be printed in the RECORD. The Chair hears no objection.

The amendments submitted by Mr. MORSE are as follows:

On page 22, at the end of line 14, insert a colon and the following: "Provided, however, That this subsection shall not apply to a master or a member of the crew of any vessel."

On page 37, beginning with line 24, strike out all to and including line 6, page 38, and insert in lieu thereof the following:

"(g) The amendment made by section 201 of this act to section 7 of the Federal Employees' Compensation Act, making the remedy and liability under such act exclusive except as to masters or members of the crew of any vessel, shall apply to any case of injury or death occurring prior to the date of enactment of this act: *Provided, however,* That any person who has commenced a civil action or an action in admiralty with respect to such injury or death prior to such date, shall have the right at his election to continue such action notwithstanding any provision of this act to the contrary, or to discontinue such action within 6 months after such date before final judgment and file claim for compensation under the Federal Employees' Compensation Act, as amended, within the time limited by sections 15 to 20 of such act (including any extension of such time limitations by any provision of this act), or within 1 year after enactment of this act, whichever is later. If any such action is not discontinued and is decided adversely to the claimant on the ground that the remedy or liability under the Federal Employees' Compensation Act is exclusive, or on jurisdictional grounds, or for insufficiency of the pleadings, the claimant shall, within the time limited by sections 15 to 20 of such act (including any extension of such time limitations by any provision of this act), or within 1 year after final determination of such cause, whichever is later, be entitled to file a claim under such act."

On page 39, between lines 17 and 18, insert the following new section:

"SEAMEN

"Sec. 305. (a) Nothing contained in this act shall be construed to affect the exclusion of certain seamen (as defined in the act of Mar. 24, 1943, chap. 26, 57 Stat. 45, as

amended; 50 U. S. C., appendix, sec. 1291) from the terms of the Federal Employees' Compensation Act, as provided by such act of March 24, 1943, as amended.

"(b) Nothing contained in this act shall be construed to affect any maritime rights and remedies of a master or member of the crew of any vessel."

The explanatory statement presented by Mr. MORSE is as follows:

EXPLANATION OF AMENDMENTS TO H. R. 3191
PROPOSED BY SENATOR MORSE

The amendments being submitted to H. R. 3191, the bill amending the Federal Employees' Compensation Act, are concerned with two subjects:

1. The status of seamen under the Compensation Act, and
2. The status of pending suits against the Government by Federal employees, brought under the Federal Tort Claims Act and other statutes.

The bill, as passed by the House and reported with amendments, by the Senate Committee on Labor and Public Welfare, provides that as to all Federal employees the Compensation Act benefits shall be exclusive and in place of any other liability of the United States or its instrumentalities. Thus, by section 201 of the bill, a new subsection is added to section 7 of the Compensation Act, reading as follows:

"(b) The liability of the United States or any of its instrumentalities under this act or any extension thereof with respect to the injury or death of an employee shall be exclusive, and in place of, of all other liability of the United States or such instrumentality to the employee, his legal representative, spouse, dependents, next of kin, and anyone otherwise entitled to recover damages from the United States or such instrumentality, on account of such injury or death, in any direct judicial proceedings in a civil action or in admiralty, or by proceedings, whether administrative or judicial, under any other workmen's compensation law or under any Federal tort liability statute."

In the report of the Senate committee, this provision is explained as follows:

"Sec. 201. Section 7 of the act would be amended by designating the present language as subsection (a) and by adding a new subsection (b). The purpose of the latter is to make it clear that the right to compensation benefits under the act is exclusive and in place of any and all other legal liability of the United States or its instrumentalities of the kind which can be enforced by original proceeding whether administrative or judicial, in a civil action or in admiralty or by any proceeding under any other workmen's compensation law or under any Federal tort liability statute. Thus, an important gap in the present law would be filled and at the same time needless and expensive litigation will be replaced with measured justice. The savings to the United States, both in damages recovered and in the expense of handling the lawsuits, should be very substantial and the employees will benefit accordingly under the Compensation Act as liberalized by this bill.

"Workmen's compensation laws, in general, specify that the remedy therein provided shall be the exclusive remedy. The basic theory supporting all workmen's compensation legislation is that the remedy afforded is a substitute for the employee's (or dependent's) former remedy at law for damages against the employer. With the creation of corporate instrumentalities of Government and with the enactment of various statutes authorizing suits against the United States for tort, new problems have arisen. Such statutes as the Suits in Admiralty Act, the Public Vessels Act, the Federal Tort Claims Act, and the like, authorize in general terms the bringing of civil actions for damages against the United States. The inade-

quacy of the benefits under the Employees' Compensation Act has tended to cause Federal employees to seek relief under these general statutes. Similarly corporate instrumentalities created by the Congress among their powers are authorized to sue and be sued, and this, in turn, has resulted in filing of suits by employees against such instrumentalities based upon accidents in employments.

"This situation has been of considerable concern to all Government agencies and especially to the corporate instrumentalities. Since the proposed remedy would afford employees and their dependents a planned and substantial protection, to permit other remedies by civil action or suits would not only be unnecessary, but would in general be uneconomical, from the standpoint of both the beneficiaries involved and the Government."

Under existing law, Government-employed seamen have been accorded the right to assert their maritime rights against the United States under the Suits in Admiralty Act and Public Vessels Act, and, moreover have been permitted an election to accept the benefits of the compensation in lieu of their maritime rights. The benefits to seamen under maritime law, which would be wiped out prospectively and to some extent retroactively by section 201 of the bill, are regarded as valuable rights by federally employed seamen, whose numbers exceed 16,000 at the present time. The representatives of maritime unions are now strongly urging, since the bill was placed on the Senate Calendar, that their right to sue the United States under maritime law be preserved and that they be kept in status quo. It would appear that none of the seamen's representatives were apprised of the implications of the bill insofar as it affects their maritime rights. Consequently none of the representatives of maritime labor appeared before the committees which considered the bill, and upon a perusal of the hearings I find no evidence that the effect of the bill upon seamen was explored on the merits. I think this is particularly unfortunate, although undoubtedly inadvertent, in view of the fact that seamen for years have opposed exclusive coverage under workmen's compensation.

Because I think there is merit in their position, and because I feel they should not be deprived of benefits they have enjoyed for many years without opportunity to have their arguments carefully considered by the appropriate committees of the Congress, I am proposing these amendments which are intended, insofar as possible, to preserve the rights of federally employed seamen under existing law to proceed against the United States apart from the Compensation Act. The purpose is likewise to preserve the status quo as to choice of remedies by seamen.

The first amendment, therefore, proposes to add the following proviso to section 7 (b) of the Federal Employees' Compensation Act, which subsection would be inserted in that act by section 201 of the bill: "Provided, however, That this subsection shall not apply to a master or a member of the crew of any vessel."

By this proviso, it is intended that the special provision, as added to the Compensation Act by this bill, declaring the liability of the United States under that act to be exclusive, shall not apply to seamen employed by the United States. It is not intended that the right of federally employed seamen, as heretofore recognized by the courts, to the maintain suits against the United States, shall be lessened by this bill. In short, the amendment is intended merely to preserve the status quo as to seamen. If the Congress should decide to go into this

matter further at some future session, it could then do so without delaying the enactment of this urgently needed bill.

I propose further that a new section, section 305, be added to the bill on page 39, between lines 17 and 18, as follows:

"SEAMEN

"SEC. 305. (a) Nothing contained in this act shall be construed to affect the exclusion of certain seamen (as defined in the act of March 24, 1943, ch. 26, 57 Stat. 45, as amended; 50 U. S. C., Appendix, sec. 1291) from the terms of the Federal Employees' Compensation Act, as provided by such act of March 24, 1943, as amended.

"(b) Nothing contained in this act shall be construed to affect any maritime rights and remedies of a master or member of the crew of any vessel."

Subsection (a) of the proposed section 305 is necessary because of the special status of seamen on vessels that were operated under general agency agreements with the War Shipping Administration, now succeeded by the Maritime Commission. By the so-called Clarification Act of March 24, 1943, as amended (50 U. S. C., Appendix, sec. 1291), seamen on vessels so operated are excluded from coverage under the Federal Employees' Compensation Act, and it is not intended to supersede the Clarification Act by these amendments. While the House report on the bill (H. Rept. No. 729, p. 13) states that it is not intended to repeal this specific statutory exclusion, doubts have been expressed as to whether the bill and the explanation in the House report would have the intended effect. Consequently, to resolve doubts on this score, subsection (a) of section 305 is proposed, in order to maintain the status quo under the Clarification Act.

Subsection (b) of the proposed new section 305 is intended out of caution, to reaffirm what is accomplished by the proposed amendment to section 201 of the bill, lest some other provision of the bill which, in some way not now foreseen, might be construed to take away any election of remedies that seamen might now have. The new subsection would make clear that no provision of this amending act, as distinguished from the existing Compensation Act itself, shall be construed to affect any maritime rights or remedies of seamen. The purpose is to reserve to seamen whatever rights they now have, or may be held to have, under maritime law, and to allay the fears that have been expressed that the amendments to the Compensation Act being made by this bill will be construed to negative or reduce any of the maritime rights and remedies of seamen.

2. It will be observed that section 303 (g) of the bill, on pages 37 and 38, states that the exclusive remedy under the Compensation Act, as provided in the amendment made by section 201 of this bill, shall not apply to cases of injury or death in which liability under laws other than the Compensation Act was "finally determined" prior to the enactment of the present bill. The effect of this provision is to substitute the remedies provided in the Compensation Act for remedies being pursued by Federal employees in a large number of civil and admiralty actions. Thus rights, if any, presently existing and being asserted in pending court proceedings would be wiped out, automatically. It appears to me that such retroactive effect is not desirable or equitable. Claimants merit better treatment from their government.

The amendment I propose, as a substitute for section 303 (g) of the bill, reads as follows:

"(g) The amendment made by section 201 of this act to section 7 of the Federal Em-

ployees' Compensation Act, making the remedy and liability under such act exclusive except as to masters and members of the crew of any vessels, shall apply to any case of injury or death occurring prior to the date of enactment of this act: *Provided, however*, That any person who has commenced a civil action or an action in admiralty with respect to such injury or death prior to such date, shall have the right at this election to continue such action notwithstanding any provision of this act to the contrary, or to discontinue such action within 6 months after such date before final judgment and file claim for compensation under the Federal Employees' Compensation Act, as amended, within the time limited by sections 15 to 20 of such act (including any extension of such time limitations by any provision of this act), or within 1 year after enactment of this act, whichever is later. If any such action is not discontinued and is decided adversely to the claimant on the ground that the remedy or liability under the Federal Employees' Compensation Act is exclusive, or on jurisdictional grounds, or for insufficiency of the pleadings, the claimant shall, within the time limited by sections 15 to 20 of such act (including any extension of such time limitations by any provision of this act), or within 1 year after final determination of such cause, whichever is later, be entitled to file a claim under such act."

The effect of this amendment would be to give Federal employees, for a limited period a right to elect, in certain situations, whether to pursue their remedies (if they have any) sought in pending cases or to come under the terms of the Compensation Act. Thus, the exclusive remedy provision of section 201 would not automatically apply with respect to an injury or death occurring prior to the date of enactment of this bill if a civil action or an action in admiralty had been commenced with respect thereto prior to the date of enactment of this bill. Persons maintaining such actions could discontinue them within 6 months, before final judgment, and be entitled to file a claim for compensation within the time limits provided in the Federal Employees' Compensation Act, as amended, or within 1 year after the enactment of this bill, whichever is later. Moreover, in recognition of the fact that some legal actions might be decided adversely to the claimant on grounds other than the merits of the claim, it is provided that persons whose pending claims are dismissed on jurisdictional grounds, insufficiency of the pleadings, or because the remedy under the Compensation Act is exclusive, may file claim under the Compensation Act within similar time limitations.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. MILLER:

S. 2495. A bill to permit verdicts in diversity of citizenship cases, by juries composed of the number of jurors required under State law; to the Committee on the Judiciary.

By Mr. SPARKMAN (for himself and Mr. SALTONSTALL):

S. 2496. A bill to authorize contributions to Cooperative for American Remittances to Europe, Inc.; to the Committee on Armed Services.

By Mr. JOHNSON of Colorado:

S. 2497. A bill for the relief of Walter John Gamel; to the Committee on the Judiciary.

S. 2498 (by request). A bill authorizing the advanced training in aeronautics of technical personnel of the Civil Aeronautics Board; to the Committee on Interstate and Foreign Commerce.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 5647. An act to prohibit the picketing of United States courts; ordered to be placed on the calendar.

H. R. 5833. An act to clarify provisions of existing law relative to vocational training of veterans under Public Law 346, Seventy-eighth Congress; and

H. R. 6022. An act to increase the rates of compensation of certain employees of the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes; to the Committee on Labor and Public Welfare.

H. R. 6114. An act to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation, and known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma, and for other purposes; to the Committee on Interior and Insular Affairs.

H. J. Res. 337. Joint resolution extending the time for payment of the sums authorized for the relief of the owners of certain properties abutting Eastern Avenue in the District of Columbia; to the Committee on the District of Columbia.

DEDICATORY ADDRESS BY SECRETARY OF DEFENSE LOUIS JOHNSON AT YESHIVA UNIVERSITY

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD an address by Hon. Louis Johnson, Secretary of Defense, at dedicatory exercises at Yeshiva University, New York, on Sunday, June 12, 1949, which appears in the Appendix.]

DANGEROUS ECONOMY — EDITORIAL FROM THE WOODBURY (N. J.) DAILY TIMES

[Mr. HENDRICKSON asked and obtained leave to have printed in the RECORD an editorial entitled "Dangerous Economy," published in the August 24, 1949, issue of the Woodbury (N. J.) Daily Times, which appears in the Appendix.]

STATEMENT BY ASSISTANT SECRETARY OF LABOR PHILIP KAISER

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD the statement made by Philip Kaiser on the occasion when he took the oath of office as Assistant Secretary of Labor, which appears in the Appendix.]

REORGANIZATION OF THE EXECUTIVE BRANCH—COMMENTS FROM WISCONSIN

[Mr. WILEY asked and obtained leave to have printed in the RECORD comments from Wisconsin regarding the reorganization of the Government, which appear in the Appendix.]

INDEPENDENT BUSINESS

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD a statement issued by the National Federation of Independent Business, Inc., relating to a message by its president, C. Wilson Harder, dated August 17, 1949, with reference to the so-called O'Mahoney-Kefauver antimonopoly merger bill, which appears in the Appendix.]

THE TREATY IS HALF THE PROGRAM—EDITORIAL FROM THE MEMPHIS PRESS-SCIMITAR

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "The Treaty Is Half the Program," published in the Memphis Press-Scimitar of July 22, 1949, which appears in the Appendix.]

FRIENDS WHO ARE ENEMIES—ARTICLE BY THOMAS W. CHRISTOPHER

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "Friends Who Are Enemies," written by Thomas W. Christopher, and published in the August 1949 issue of the Kiwanis magazine, which appears in the Appendix.]

PROGRESS ON THE DP BILL—EDITORIAL FROM THE NEW YORK TIMES

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "Progress on the DP Bill," published in the New York Times of August 26, 1949, which appears in the Appendix.]

LOOK TO YOUR OWN, AMERICANS—ARTICLE BY PRESTON B. WATERBURY

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article by Preston B. Waterbury, colonel, United States Army, retired, entitled "Look To Your Own, Americans," which appears in the Appendix.]

FOREST ACCESS ROADS

[Mr. MORSE asked and obtained leave to have printed in the RECORD an editorial entitled "Remove the Handcuffs," published in the Roseburg (Oreg.) News-Review, and a news item published in the same newspaper, with reference to forest access roads, which appear in the Appendix.]

GOOD ROADS

[Mr. MORSE asked and obtained leave to have printed in the RECORD two letters to the Medford (Oreg.) News, on the subject of good roads, which appear in the Appendix.]

THE MUNDT BILL—ARTICLE FROM THE WASHINGTON POST

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article entitled "Mundt Bill," published in the Washington Post of August 23, 1949, which appears in the Appendix.]

CARE AND CUSTODY OF CERTAIN INSANE PERSONS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 936) to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes, which were, on page 5, lines 4 and 5, strike out "may in its discretion" and insert "shall"; on page 5, line 9, strike out "may" and insert "shall"; and on page 5, line 16, after "Government," insert "At such hearing the court may in its discretion call any other witnesses for the prisoner."

Mr. KILGORE. Mr. President, the enactment of this bill is badly needed. The only amendments made by the House to the bill make it mandatory that persons convicted of crimes who have been adjudged to be insane prior to their discharge from the institution for the insane in which they have been confined must be reported back to the district court which shall have appointed an alienist to examine them. In the Senate bill we used the word "may," and the House made it "shall." Inasmuch as the bill is badly needed in connection with the care of the criminal insane, I move that the Senate concur in the amendments of the House.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

AMENDMENT OF NATIONAL HOUSING ACT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 109) to amend the National Housing Act, as amended, which was, to strike out all after the enacting clause and insert:

That the National Housing Act, as amended, is hereby amended—

(1) by striking out of the first sentence of section 2 (a) "September 1, 1949" and inserting in lieu thereof "November 1, 1949."

(2) by striking out of the proviso in section 203 (a) "\$5,300,000,000" and inserting in lieu thereof "\$5,500,000,000" and by striking out of such proviso "\$5,500,000,000" and inserting in lieu thereof "\$6,000,000,000."

(3) by striking out of the second proviso in section 603 (a) "August 31, 1949" in each place where it appears therein and inserting in lieu thereof "October 31, 1949."

Mr. MAYBANK. I move that the Senate concur in the amendment of the House.

Mr. SALTONSTALL. Mr. President, will the Senator please explain what is proposed to be done?

Mr. MAYBANK. Mr. President, the House has amended Senate Joint Resolution 109 by making an additional extension of time in connection with what were formerly known as titles 1 and 6 of the National Housing Act, and authorizing additional funds under title 2 of that act, but which are now in title 1 of Senate bill 2246.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from South Carolina that the Senate concur in the House amendment.

The motion was agreed to.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The Secretary will proceed to state the amendment reported by the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Title II, National Military Establishment, Office of the Secretary of Defense," on page 3, line 16, after the word "exceed," to strike out "four" and insert "five, including one at not to exceed \$3,000"; in line 23, after the word "conclusive," to strike out "\$9,000,000" and insert "\$11,450,000"; and in the same line, after the amendment just above stated, to insert a colon and the following proviso: "Provided, That, during the current fiscal year, whenever under authority of law, any function or activity is transferred or assigned from the Departments of the Army, Navy, or Air Force to an agency for which funds are provided under this appropriation, such amounts as may be approved by the Director of the Bureau of the Budget may be transferred to this appropriation from the current appropriation or appropriations available to those Depart-

ments for the function or activity so transferred."

The amendment was agreed to.

The next amendment was, under the subhead "Retired pay," on page 4, line 12, after the word "Force", to strike out "\$180,000,000" and insert "\$190,780,000."

The amendment was agreed to.

The next amendment was, under the heading "Title III—Department of the Army—General Staff Corps—Field exercises," on page 6, line 4, after "(28 U. S. C. 2672)", to strike out "\$6,000,000" and insert "\$2,500,000."

The amendment was agreed to.

The next amendment was, under the subhead "Finance Department—Finance service, Army," on page 8, line 2, after "(Public Law 248)", to strike out "\$1,448,350,000" and insert "\$1,453,350,000, of which not to exceed \$10,000,000 may be transferred to the appropriation 'Finance service, Army, 1949,' and."

The amendment was agreed to.

The next amendment was, under the subhead "Travel of the Army," on page 10, line 11, after the word "unpacking", to strike out "\$77,000,000" and insert "\$85,692,000."

The amendment was agreed to.

The next amendment was, under the subhead "Apprehension of deserters," on page 11, line 22, after the word "sentence", to strike out "involving dishonorable discharge."

The amendment was agreed to.

The next amendment was, under the subhead "Finance service," on page 12, line 3, after the word "Department", to strike out "\$28,500,000" and insert "\$28,743,000."

The amendment was agreed to.

The next amendment was, under the subhead "Subsistence of the Army," on page 14, line 13, after the word "all", to strike out "\$255,000,000" and insert "\$274,858,000."

The amendment was agreed to.

The next amendment was, on page 14, line 16, after the word "products", to insert a colon and the following additional provisos: "Provided further, That no part of this or any other appropriation contained in this act shall be available for the procurement of any article of food or clothing not grown or produced in the United States or its possessions, except to the extent that the Secretary of the Army shall determine that a satisfactory quality and sufficient quantity of any articles of food or clothing grown or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and without unduly increasing future United States market prices and except procurements by vessels in foreign waters and emergency procurements or procurements of highly perishable foods by establishments located outside the continental United States, except the Territories of Hawaii and Alaska, for the personnel attached thereto: *Provided further*, That, notwithstanding the provisions of the foregoing proviso, the Secretary of the Army is authorized to purchase from the Commodity Credit Corporation any meat owned and stored by such Corporation on the date of enactment of this act which the Secretary determines to be of a satisfactory quality

for the use of the Military Establishment, or for civilian feeding in occupied areas."

Mr. WILEY. Mr. President, there is an amendment to the committee amendment, on page 15, line 12, in which a number of Senators are interested. In view of the fact that many of the sponsors of the amendment are not present, I ask that the committee amendment be passed over for the time being.

The VICE PRESIDENT. Without objection, the committee amendment just stated will be temporarily passed over.

The clerk will state the next committee amendment.

The next amendment was, under the subhead "Regular supplies of the Army," on page 16, line 4, after the word "irrigation", to strike out "\$115,000,000" and insert "\$125,030,000."

The amendment was agreed to.

The next amendment was, under the subhead "Clothing and equipage," on page 17, line 9, after the word "internment", to strike out "\$192,000,000" and insert "\$207,533,000."

The amendment was agreed to.

The next amendment was, under the subhead "Incidental expenses of the Army," on page 18, line 18, after the word "sites", to strike out "\$104,900,000" and insert "\$107,286,000."

The amendment was agreed to.

The next amendment was, under the subhead "Transportation Corps—Transportation service, Army," on page 19, line 7, after the word "activities", to strike out "\$340,000,000: *Provided*" and insert "\$332,000,000"; in the same line, after the amendment just above stated, to insert a colon and the following proviso: "*Provided*, That \$32,000,000 of the unexpended balance of the appropriation 'Transportation service, Army, 1949,' shall remain available until June 30, 1950, and shall be merged with the appropriation 'Transportation service, Army,' made by this act."

The amendment was agreed to.

The next amendment was, on page 19, line 18, after the word "procured", to insert a colon and the following additional proviso: "*Provided further*, That vessels under the jurisdiction of the Maritime Commission, the Department of the Army, or the Department of the Navy may be transferred or otherwise made available without reimbursement to any of such agencies upon the request of the head of one agency and the approval of the agency having jurisdiction of the vessels concerned."

The amendment was agreed to.

The next amendment was, under the subhead "Signal Corps—Signal service of the Army," on page 21, line 25, after the word "thereof", to strike out "\$200,000,000" and insert "\$207,390,000."

The amendment was agreed to.

The next amendment was, under the subhead "Corps of Engineers—Engineer service, Army," on page 25, line 4, after the word "for", to strike out "\$125,000,000" and insert "\$128,925,000."

The amendment was agreed to.

The next amendment was, under the subhead "Barracks and quarters, Army," on page 26, line 1, after the word "for", to strike out "\$188,670,000" and insert "\$187,732,269"; and on page 27, line 3,

after the words "sum of", to strike out "\$7,300,000" and insert "\$9,300,000."

The amendment was agreed to.

The next amendment was, under the subhead "Military construction, Army," on page 27, line 17, after "(28 U. S. C. 2672)", to strike out "\$86,737,000" and insert "\$85,706,120."

The amendment was agreed to.

The next amendment was, under the subhead "Ordnance Department—Ordnance service and supplies, Army," on page 29, line 1, before the word "of", to strike out "\$730,000,000" and insert "\$757,852,000"; and in line 4, after the numerals "1949", to insert a colon and the following additional proviso: "*Provided further*, That the sum of \$5,000,000 of the appropriation 'Ordnance service and supplies, Army, 1942-1946, shall remain available until June 30, 1950, for the payment of obligations incurred under contracts executed thereunder prior to July 1, 1946.'"

The amendment was agreed to.

The next amendment was, under the subhead "Chemical Corps—Chemical service, Army," on page 30, line 9, after the word "ranges", to strike out "\$35,000,000" and insert "\$36,301,000."

The amendment was agreed to.

The next amendment was, under the subhead "National Board for Promotion of Rifle Practice, Army," on page 42, line 11, after the word "competitions", to insert "(no more than \$10,000 of which shall be available for incidental expenses, including travel of a team representing the United States at the international matches to be held in Argentina in the calendar year 1949)"; and on page 43, line 1, after the word "Army", to strike out "\$272,500" and insert "\$160,000."

The amendment was agreed to.

The next amendment was, under the subhead "Departmental salaries and expenses—Salaries, Department of the Army," on page 44, line 15, after "Adjutant General's Office", to strike out "\$10,300,000" and insert "\$10,520,000."

The amendment was agreed to.

The next amendment was, on page 44, line 17, after "Office of the Judge Advocate General", to strike out "\$600,000" and insert "\$620,000."

The amendment was agreed to.

The next amendment was, on page 44, line 20, after "Office of the Quartermaster General", to strike out "\$7,200,000" and insert "\$7,303,000."

The amendment was agreed to.

The next amendment was, on page 44, line 22, after "Office of the Chief of Transportation", to strike out "\$3,000,000" and insert "\$3,006,000."

The amendment was agreed to.

The next amendment was, on page 45, line 3, after "Office of Chief of Engineers", to strike out "\$4,000,000" and insert "\$4,035,000."

The amendment was agreed to.

The next amendment was, on page 45, line 4, after "Office of Chief of Ordnance", to strike out "\$4,300,000" and insert "\$4,318,000."

The amendment was agreed to.

The next amendment was, on page 45, line 6, after "Office of Chief of Chaplains", to strike out "\$129,000" and insert "\$106,000."

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses, Department of the Army," on page 45, line 10, after the word "government", to strike out "\$9,000,000" and insert "\$9,065,000."

The amendment was agreed to.

The next amendment was, under the heading "Title IV—Department of the Navy—Office of the Secretary—Miscellaneous expenses," on page 45, line 25, after the word "expenses", to strike out "\$4,300,000" and insert "\$4,342,600."

The amendment was agreed to.

The next amendment was, under the subhead "Contingencies of the Navy," on page 46, line 9, after the word "service", to strike out "\$17,500,000" and insert "\$17,634,000."

The amendment was agreed to.

Mr. HILL. Mr. President, I should like to ask the distinguished Senator from Oklahoma a question about the committee amendment on page 43, line 1. This item is for rifle practice. I notice that the committee amendment would reduce the House figure from \$272,500 to \$160,000.

Mr. THOMAS of Oklahoma. That is the budget estimate.

Mr. HILL. Was \$160,000 the budget estimate?

Mr. THOMAS of Oklahoma. That is correct.

Mr. HILL. I know the distinguished Senator from Oklahoma worked hard on this bill. He gave a great amount of time, thought, and consideration to it.

Mr. THOMAS of Oklahoma. Let me say further that, as stated yesterday, the House increased the budget estimates in certain particulars. This was one of the few places where the House increased the budget estimate. As I stated yesterday, if the House conferees make a good case and convince the Senate conferees that more money should be allowed for the rifle-practice program, speaking for myself, I shall be agreeable to increasing the figure above the budget estimate. As I understand, there is to be a rifle tournament in Argentina. That will cost something, but not a large sum. This is one of the items which I had in mind yesterday, with respect to which the House figure is above the budget estimate. When the bill goes to conference, I think we can agree without doing damage to this program.

Mr. HILL. I know what a good friend of national defense the distinguished Senator from Oklahoma is. I know of his interest in the National Guard and the Reserves, and his interest in the rifle practice program. I am sure that when he sits in conference on this item, a friend of the cause will be sitting there.

Mr. THOMAS of Oklahoma. I appreciate the statement of the Senator from Alabama.

The VICE PRESIDENT. The amendment has already been agreed to.

The clerk will state the next committee amendment.

The next amendment was, under the subhead "Operation and conservation of naval petroleum reserves," on page 46, line 16, after the word "reserves", to strike out "\$9,500,000" and insert "\$10,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses," on page 47, line 11, after the word "offices", to strike out "\$1,100,000" and insert "\$1,685,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries," on page 47, line 19, after the word "Navy", to strike out "\$4,321,000" and insert "\$4,600,000."

The amendment was agreed to.

The next amendment was, under the heading "Office of Chief of Naval Operations—Hydrographic Office," on page 48, line 10, after the word "publications", to strike out "\$4,145,000" and insert "\$4,466,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries, Office of Chief of Naval Operations," on page 48, line 13, after the word "Operations", to strike out "\$1,477,500" and insert "\$1,515,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries, Office of Chief of Naval Communications," on page 48, line 17, after the word "Communications", to strike out "\$608,000" and insert "\$645,000."

The amendment was agreed to.

The next amendment was, under the heading "Office of Judge Advocate General—Salaries," on page 49, line 6, after the word "General", to strike out "\$335,700" and insert "\$381,000."

The amendment was agreed to.

The next amendment was, under the heading "Office of Naval Research—Research," on page 49, line 11, after the word "Research", to strike out "\$43,100,000" and insert "\$43,106,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries," on page 49, line 19, after the word "Research", to strike out "\$1,285,000" and insert "\$1,400,000."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Naval Personnel—Transportation and recruiting," on page 52, line 15, after the word "purposes", to strike out "\$32,000,000" and insert "\$32,900,000."

The amendment was agreed to.

The next amendment was, under the subhead "General expenses," on page 53, line 25, after the word "medals", to strike out "\$2,000,000" and insert "\$2,193,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries," on page 55, line 9, after the word "Personnel", to strike out "\$5,550,000" and insert "\$5,825,000, and the compensation of the employee in charge of the Naval Academy section shall be as to base in accordance with the rates applying to grade 14 of the clerical, administrative, and fiscal services so long as the position is held by the present incumbent."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Ships—Maintenance," on page 57, line 11, after the word "expeditions", to strike out "\$357,500,000" and insert "\$358,023,000."

The amendment was agreed to.

The next amendment was, under the subhead "Construction of ships," on page

57, line 25, after the word "appropriation", to strike out "\$168,000,000" and insert "\$157,104,000"; on page 58, line 4, after the word "exceed", to strike out "\$15,000,000" and insert "\$85,748,000, of which \$70,748,000 represents a transfer of contract authority granted under this head in the 1949 Department of the Navy Appropriation Act"; and in line 10, after the word "exceed", to strike out "\$18,700,000" and insert "\$101,732,000."

The amendment was agreed to.

The next amendment was, under the subhead "Increase and replacement of naval vessels—Construction and machinery," on page 58, line 16, after the word "appropriation", to strike out "\$38,000,000" and insert "\$38,136,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries," on page 58, line 19, after the word "Ships", to strike out "\$6,700,000" and insert "\$6,775,000."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Ordnance—Ordnance and ordnance stores," on page 59, line 6, after the word "practice", to strike out "\$220,000,000" and insert "\$226,385,000."

The amendment was agreed to.

The next amendment was, under the subhead "Ordnance for new construction," on page 59, line 13, after the word "appropriation", to strike out "\$66,604,000" and insert "\$62,657,000"; in line 18, after the word "exceed", to strike out "\$32,000,000" and insert "\$76,571,000, of which \$44,571,000 represents a transfer of contract authority granted under this head in the 1949 Department of the Navy Appropriation Act"; and in line 24, after the word "exceed", to strike out "\$33,600,000" and insert "\$80,348,000."

The amendment was agreed to.

The next amendment was, under the subhead "Increase and replacement of naval vessels—Armor, armament, and ammunition," on page 60, line 6, after the word "appropriation", to strike out "\$70,000,000" and insert "\$70,014,000."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Supplies and Accounts—Subsistence," on page 60, line 19, after the word "law", to strike out "\$102,000,000" and insert "\$110,814,000."

The amendment was agreed to.

The next amendment was, under the subhead "Maintenance," on page 61, line 19, after "(Public Law 248)", to strike out "\$220,000,000" and insert "\$217,384,000."

The amendment was agreed to.

The next amendment was, under the subhead "Fuel," on page 62, line 13, after the word "facilities", to strike out "\$65,000,000" and insert "\$69,000,000."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Yards and Docks—Maintenance," on page 63, line 18, after the word "vehicles", to strike out "\$153,000,000" and insert "\$156,833,000."

The amendment was agreed to.

The next amendment was, under the subhead "Public works," on page 65, line 3, after the word "expended", to strike out "\$52,000,000" and insert "\$53,210,000."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Aeronautics—Aviation," on page 66, line 6, after the figures "\$25,000,000", to insert "and, in addition, not to exceed \$20,000,000 of the appropriations for the Department of the Navy made by this act shall be transferred from such appropriations in this act as the Secretary of Defense may determine and be merged with this appropriation for the purposes of this appropriation."

The amendment was agreed to.

The next amendment was, under the heading "Marine Corps—General expenses," on page 68, line 18, after the word "facilities", to strike out "\$125,200,000" and insert "\$126,900,000."

The amendment was agreed to.

The next amendment was, under the heading "Title V—Department of the Air Force—Construction of aircraft and related procurement," on page 69, line 17, after the word "exceed", to strike out "\$1,992,755,000" and insert "\$1,415,000,000."

Mr. KNOWLAND. Mr. President, I should like to address an inquiry to the chairman of the subcommittee at this point. As I understand, this is the amendment in which the Senate committee has stricken out the amount allowed by the House relative to the Air Force, which would limit the Air Force to a 51-group program. Is that correct?

Mr. THOMAS of Oklahoma. A 48-group program.

Mr. KNOWLAND. Will this reduce it to 48?

Mr. THOMAS of Oklahoma. The House added money for a 58-group air force, and this is a reduction recommended by the Senate committee. It is a reduction in harmony with the request of the military authorities. Secretary Johnson did not ask for an increase to the House figure. Neither did Mr. Symington. They asked only for the budget estimate, and this bill carries the budget estimate.

Mr. KNOWLAND. I should like to make a few remarks on this subject. While I realize that probably what I shall have to say will not change the judgment of the Senate in making this reduction, I believe that at this time it needs to be said, I shall ask for a yea-and-nay vote on the amendment.

First of all, I wish to call the attention of the Senate to the report of the President's Air Policy Committee, which was issued under date of January 1, 1948. I shall take the time to read, for the information of the Senate and the country, the language of the report, so as to remind all of us of some of the statements it contains. I read now from page 24, under the heading "The Requirements of the Air Establishment—Recommendations of the Commission." This is the report of the President's Air Policy Commission:

THE AIR FORCE

We have received from representatives of the Air Force and the Navy exhaustive presentations of the war missions to be carried out by each of the services and of the requirements of the services for the conduct of their missions. We have analyzed these strategic plans and requirements and have reached the following conclusions:

The Air Force as presently composed is inadequate. It is inadequate not only at the present time when we are relatively free of the dangers of sustained attack on our homeland, but is hopelessly wanting in respect of the future phase II period when a serious danger of atomic attack will exist.

The present Air Force consists of 337,000 uniformed and about 125,000 civilian personnel. It is equipped with a total of 10,800 aircraft in active status, including about 580 heavy bombers and 2,300 fighters. Backing up this force is a reserve of about 12,800 World War II aircraft usable at any time during the next 2 or 3 years to replace losses of planes due to current peacetime attrition or, in the event of war, caused by combat losses.

Our present Air Force is divided into 55 groups. Each group is trained for specific missions such as strategic bombing, tactical reconnaissance, fighter escort, interception, and troop carrier and transport.

From evidence received from the Secretary of the Air Force, its Chief of Staff, and many of its ranking generals as well as informed authorities outside of the Military Establishment, we conclude that the 55-group force, if engaged in action in this present phase I, could not carry out the missions assigned to it because it is lacking in the essential air units for effective combat action. It would be even less capable of carrying out the missions which would face it in phase II conditions. Even more alarming is the statement by the Air Force that the funds presently available will not permit the maintenance of the present inadequate air force and that if appropriations are not increased the Establishment must be cut back to approximately 40 groups with reductions starting in July 1948.

None of this must be permitted. There is a minimum force in being below which we must not go if we are to protect our country and its vital interests.

We have concluded that the minimum force necessary at the present time is an Air Force composed of 12,400 modern planes, organized into 70 combat groups, and 22 special squadrons, supplemented by 27 National Guard groups and 34 groups of Air Reserve. All these forces, with the exception of the Air Reserve, must be equipped, trained, and ready for immediate action in the event of war. We should build to this force as rapidly as possible and once it is achieved, never permit it to drop below this level. Nor should we permit it to become impotent and ineffective because of failure to keep it modernized with the very best planes and equipment available.

At first we seriously questioned the need of an Air Force of these proportions because it was obvious that building it and supporting it would involve a substantial increase in expenditures. However, as we studied the strategic and tactical needs of the Air Force we came to the conclusion that:

1. The 70 groups would include the very minimum number of interceptor fighters necessary for our home defenses; and their effectiveness would be almost entirely dependent upon having a satisfactory radar early-warning system and adequate ground and air defensive missiles. We emphasize again, however, that no plans for defense should be made in derogation of the striking counteroffensive air arm in being.

2. The 70 groups would provide only 700 very heavy bombers for the strategic bombing of enemy targets. This force of bombers seems minute as compared with the 14,000 bombers of the United States Air Force and the Royal Air Force committed to combat in the European theater during the war. Only by using the very best equipment and the latest techniques will so small a force be able to carry an effective war to the enemy.

That is the end of the quotation which I shall read to the Senate at this time; it is from the report of the President's Air Policy Commission, and the report was issued last year.

I also wish to call to the attention of the Senate, so that the Members of the Senate may be fully advised before they take whatever action they are going to take on this matter, a report of the Congressional Aviation Policy Board of the Congress of the United States, issued pursuant to Public Law 287 of the Eightieth Congress, and printed on March 1, 1948, as a Government document. On page 7 of that report, under the heading "Plan A," appears the following statement:

From the information made available to the Board by the Air Force and by the Navy separately, it would appear that the initial strength necessary to mount promptly an effective, continuing, and successful air offensive against a major enemy, is what is termed the Air Force 70-group program of 20,541 aircraft, plus the Navy program of 14,500 aircraft, total 35,041 aircraft. At the level-off period in 1935 these programs would require thereafter an annual Air Force procurement of 86,000,000 airframe pounds and an annual Navy procurement of 25,000,000 airframe pounds—total, 111,000,000 airframe pounds annually.

That is the judgment of the Congressional Aviation Policy Board.

Mr. President, we can go to another witness at this time. I wish to read now from a column written in the magazine *Newsweek* by Gen. Carl Spaatz, who was Chief of Staff of the Air Force, and had a long and distinguished career as an officer of the United States Air Force in carrying out the obligations of the Air Force during the recent war. I read General Spaatz's column:

OUR DIMINISHING AIR POWER

(By Gen. Carl Spaatz, U. S. A. F., retired)

Apparently the decision has been reached to reduce the United States Air Force to 48 groups. It might be well for the American people to realize the significance of this action.

The reduction to 48 groups means that the Air Force will have to deactivate an appreciable number of groups already organized and well on the road to combat effectiveness. These include strategic bomber groups as well as groups for tactical air support of our Army. This reduction is being made at a time when Mr. Churchill and other top world leaders have stated that air power and the United States Air Force's ability to drop the atom bomb have been the greatest force for world stabilization and peace. It also comes at a time when some Army generals are complaining about the lack of tactical air units for cooperation with the ground forces.

The recent air show over Moscow and resulting statements by Communist officials show clearly their intent to build up the largest air force within their capabilities. Our national security demands an Air Force strong enough to meet this potential threat. The 70-group Air Force program is the minimum, in my opinion, for our security in the present world situation. This will provide a well-balanced force for the Air Force's missions.

In determining the strength and composition of the military forces—land, sea, and air—which are to be maintained by the United States, full consideration must be given to the military strength in all categories maintained by the other signatory nations of the Atlantic Pact.

The air forces provided by these nations should for the most part consist of air-defense and tactical-air-support units. Strategic bombing forces will be a major commitment of the RAF and the United States Air Force, since the expense of developing and maintaining them would be beyond the means of the other nations. The British Navy is a powerful addition to the forces necessary for control of the seas.

The total amount now being spent for air power by the United States is more than adequate. But it is not enough to support two air forces with duplicate establishments. The composition of our armed forces must be determined not on a hysterical and emotional basis but on the basis of the maximum national defense at the minimum cost.

In terms of air power this means one Air Force for the mission of air defense, strategic bombing, and support of surface forces. In addition the Navy must have all the fleet aviation necessary for control of the seas, with emphasis on meeting the Schnorkel submarine threat.

Overemphasis of peacetime strength in any one service beyond the need for its primary task, will result in improper balance of the forces to meet the impact of a future war. This unbalance is most apparent in overhead installations such as schools, depots, and reserve training stations with which the United States is now dotted, in some instances with Air Force and naval air stations side by side. The Air Force is now being given efficient service by the Army Quartermaster Corps, Army Ordnance, and Army Signal Corps, and similar cross-servicing should be extended to embrace all components of our armed forces. For instance, the Air Force repair and supply-depot system could be extended to take care of naval air and Marine Corps air needs.

However, it will be difficult if not impossible to assure the proper balance under an organizational set-up wherein overemphasis is placed on individual service prerogatives and individual service determination of its requirements for a future war. If the national defense budget took but a small part of our annual income, this would not be a serious matter. But with staggering expenditures of \$14,000,000,000 to \$15,000,000,000 a year, much closer integration of the service programs is essential to obtain the most from every dollar spent.

If our armed forces were provided with an over-all military Chief of Staff and general staff, sums now wasted on overhead and duplication would be saved. Therein lies true economy, rather than in reducing the combat strength of our Air Force, which is a keystone in the entire North Atlantic defense system.

Mr. President, in addition to the testimony of General Spaatz, when the Secretary of the Air Force appeared last year before the Armed Services Committee, which was conducting hearings on the universal military training bill, he admitted the 70-group program was still an essential program. Yet what will happen if the Senate accepts the amendment offered by the Senate committee? Instead of a 70-group air force, which the President's Air Policy Board, the Congressional Board, and General Spaatz say is the minimum essential for the national defense, the actual strength of the Air Force, which would be 58 groups under the House language, will be reduced to 48 groups.

Mr. President, that is a great responsibility for the Senate of the United States to take. We have pending before the combined Armed Services-Foreign Relations Committee at the present time an arms implementation bill calling for

appropriations of \$1,400,000,000. Why is that bill before the Congress of the United States? It is before the Congress because, as a matter of national policy, we have determined that the peace of the world and international law and order are of great concern to this Nation. The Atlantic Pact, which was ratified by the Senate a short time ago, was designed to implement and support that policy and to demonstrate to any potential aggressor nation that any overt act of aggression any place in the world was of concern to the people of the United States in their support of international law and order. In order to implement the North Atlantic Pact, we have under consideration arms implementation legislation. Why? In order to help strengthen the arm of defense of our allies in the Atlantic Pact, and of certain countries additional thereto.

If the danger of overt Communist aggression is so great as our National Government has felt it to be, so that this Nation was justified in embarking for the first time in its history upon a North Atlantic Pact; if it is so great as to justify the expenditure of \$1,400,000,000 for the implementation of arms to the signatories to the pact and to other free peoples of the world in order to maintain a free world of free men, then I say, Mr. President, with all the sincerity I possess, this is no time for the Congress of the United States to clip the wings of the eagle, to dull his beak, or to cut off his talons. When the testimony of those who know the situation best have said the American Air Force in being and the atomic weapon are probably the two factors which have prevented up to this very hour an overt aggression by the Soviet power against the free nations of the world, it simply does not make sense for us at this very time, not only not to come up to the minimum standard which competent testimony has demonstrated should be done, but actually to reverse the process and start cutting our Air Force in being.

Now, what will this amendment do, Mr. President? Of course, a responsibility is upon the Senate of the United States, and the Senate, along with the House of Representatives, will have to make the decision. But the fact of the matter is, in my judgment, it does more than merely cut out a number of groups from the Air Force. It strikes a substantial blow at the morale of the Air Force. I do not believe it is possible to create groups in the Air Force, start to train them in a program and a very important mission in the national defense of our country, and then reverse the process and start cutting them down, without adversely affecting their morale.

I wanted to bring this matter to the attention of the Senate because this is the place and now is the time the issue will have to be met. It may be that, in the judgment of the Senate of the United States, despite the North Atlantic Treaty and despite the arms implementation program, the Senate will decide that we should cut our own national defense in the air and use the funds thus saved for other programs. I do not believe it makes sense, because if ever the chips are down in another war—and we all

hope that will never happen—it is my judgment that the very security of this country, the safety of our cities, the ultimate success of the Nation in finally winning the victory are going to depend in the last analysis upon the strength of our own National Defense Establishment in the air, on the sea, and on the land.

Mr. President, I do not underestimate the importance of allies. I think we want to have as many allies as we possibly can who will stand with us to preserve a free world of freemen. But as one United States Senator I am not willing to, as I say, clip the wings of the eagle at the time we are sending vast sums elsewhere in the world. I am willing to help implement the defense of other nations, but I am not willing to help implement it if at the same time we are striking what I think is a very fundamental blow at our own national defense.

Mr. HILL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. HILL. I commend the Senator from California for the very timely and able statement he has just made. He has brought to our attention the recommendations of the President's Air Power Board, the Congressional Board, and the statement of General Spaatz. Is it not true that General Spaatz is the officer in our military forces who, as the commanding general of the Eighth Air Force, had the responsibility for the strategic bombing of Germany? It was his responsibility to carry the war to Germany—to paralyze and knock out Germany's war-making capacity. Is not that correct?

Mr. KNOWLAND. The Senator is correct. We can say that without in any way disparaging any other contribution because no war can be won by one branch of the service alone. It is correct that General Spaatz was the responsible officer who was charged with the direction of our strategic Air Force, and after the war he became Chief of Staff of the United States Air Force, and is probably as familiar, if not more so, with the strategic needs of the Nation as is any man now living, if, indeed, he is not more familiar with them than any other man.

Mr. HILL. Is it not true that in the past, in planning our defense and making preparations for our armed forces, we did not and could not know who our enemy might be? For instance, in the last war there were two major enemies—Germany and Japan—one in western Europe, the other in the Far East. Today we know we could have but one real enemy. There is only one nation in the world which is capable of challenging the United States or making war upon us. So from that standpoint our problem is simplified. We do not have to make many different plans, having in mind that we might have to fight this enemy or that enemy or some other enemy. We know that if we are called upon to defend ourselves our defense must be against only one particular nation. So the situation is simplified to that extent.

We also know that in any war we win the war, and save our country in one of two ways: Either we destroy the enemy's armies in the field or else destroy the

enemy's capacity at home to make war. We know that, so far as any potential enemy that we might have today is concerned, we would be foolish to try to destroy that enemy's armies in the field. We could not put a sufficient number of men in Europe to meet the millions of men which Russia could put into the field. So, if we should have a conflict with Russia, every dictate of military strategy would cause us to seek to destroy Russia's capacity at home to make war on us. We know that the only way we can destroy Russia's war-making capacity is with air power, with atomic power, and with what we call strategic bombing? Is not that correct?

Mr. KNOWLAND. I believe the Senator is correct.

Mr. HILL. Therefore, today the one arm of our defense which stands first and foremost in importance above all other arms, is the air arm. If we are to spend billions of dollars—and I have voted for the expenditures to strengthen European nations and to build up our own defenses—we should strengthen this strategic air arm which can take off from the land and go over the enemy's territory, bomb, paralyze, and destroy the enemy's capacity to make war.

I do not know whether the Senator from California was a member of the Appropriations Committee at the time, but the testimony showed—and no one respects the Navy or appreciates its historic record of defense of our country any more than I do—that planes from an airplane carrier cannot reach the vital centers of Russia. We must have the Air Force, with land-based, long-range bombers, if we are going to strike the war-making capacity of Russia. We are spending billions of dollars on many other things, when, above everything else, we should concentrate on preparing and making ready and invincible this one arm which can strike the enemy, this one arm which has the capacity to destroy the war-making power of the enemy. That one arm is our Air Force. This is what the Senator has been telling us this morning. Is not that correct?

Mr. KNOWLAND. That is correct.

Mr. HILL. Does not history show us that the greatest mistake we make when we think in terms of our defense is that we think too much about how we fought the last war, and we are too much disposed to make our preparations for any possible future conflict on the basis of how we fought the last conflict? The Senator knows that in the last war we did not have the B-36 and did not have the long-range strategic bombers we have at this time, so we had to do what was called island jumping. We had to take an island and jump to the next island, and so forth. That required the teamwork of the sea force, the land force, and the air force. We now have long-range strategic bombers which can go thousands of miles, so as to make it unnecessary to take short jumps from island to island or base to base. Is not that correct?

Mr. KNOWLAND. I think certainly that the developments which have taken place will make a future war very different. We all hope there will not be a

future war; but we are practical enough to recognize the fact that there are potential aggressors loose in the world today.

When the junior Senator from California was behind the iron curtain, in Poland, and later went into Czechoslovakia, a great many persons, representing all shades of opinion from Socialists to Liberals to Conservatives, all but the Communists themselves, said to me, "Senator, you know it is not going to do very much good, so far as we are concerned, as we sit on the borders of Russia, with the hot breath of the bear blowing down our necks, for your Government merely to send a strong note, as you did in the Petkov case, after we, too, were hanging from the gallows." In the past few years we have seen nations lose their liberty because of the pressure of communism. We have seen our own position in Germany challenged, which resulted in the air lift. Had we not been prepared to supply Berlin we would today have been out of Berlin, and probably the chaos which would have been created might very well have led to the overrunning of western Germany. There are some statesmen in Europe, including Mr. Winston Churchill and others, who believe that if it had not been for the American Air Force in being, and the atomic weapon, as of now all parts of western Europe, with the possible exception of Britain, might very well be behind the iron curtain.

I think the Senator from Alabama will agree with me that while we may be critical of their philosophy of life, while we may be critical of their methods, there is one thing quite certain about the men in the Kremlin, namely, that they are very practical gentlemen, that the thing they will recognize is not plans on paper, not aid to some force which might take 4 or 5 years to build up; the thing they will recognize as being practical is an American Air Force in being, with the weapons which are needed to make that Air Force effective.

The able Senator from Alabama has had long experience in the House and in the Senate, and he is far more familiar than is the junior Senator from California with the fact that there was not a single plane which was developed, subsequent to Pearl Harbor, from the designing stage, that was able to see action in World War II. There is a long stretch of time in the development of a plane. A plane cannot be developed overnight. If we should be involved in war tomorrow, we could not open an assembly line and turn out better planes. It is necessary to have a program extending over a period of time.

I have a son who has just turned 18 years of age, and I for one do not want to see him and the sons of our fellow citizens, if they are in the Air Force, have to fly second best planes, because in the air game we cannot afford a second best Air Force. We either have the best air force in the world, or we have one that is going to be in very serious difficulties in case of trouble.

Mr. HILL and Mr. FLANDERS addressed the Chair.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from California yield; and if so, to whom?

Mr. KNOWLAND. If the Senators will permit me to make one more statement, I shall then yield.

At the last review which took place in Moscow when the foreign military observers were permitted to see the review of the troops, the reports from that country indicate that the Russians have been developing some of the most modern jet fighter planes. There are indications that they at least have a prototype of our B-29, if they do not have something better.

The Russians are not lagging behind in this situation, and it seems inconceivable to me that at this critical period, which will probably exist for the next 24 months, at least until we can find out whether the cold war is to become hotter, at a time when the realistic men in the Kremlin are developing and building and expanding their air force, we should deliberately, of our own knowledge, start not only not expanding, but start reducing, in the face of the present world situation.

For that reason, Mr. President, I did not want this amendment to be adopted without at least making it clear to the Senate and to the Congress what I feel to be vital.

I personally hope that in the event the Senate should adopt the Senate committee amendment, the House conferees will stand firm, and if they do not expand our Air Force, will at least not permit it to be cut below its present inadequate levels.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. KNOWLAND. I yield.

Mr. HILL. What the Senator said about the building and the construction of the airplanes is true. We know it does not take months, it takes years, to bring an airplane into being. From the time an airplane is put on the drawing board, in the blueprint stage, it is years before it is really ready to function.

We all feel that in the atomic bomb, as Winston Churchill well said, we have a tremendous instrument of protection. But after all, that bomb is not worth anything unless it can be carried to the enemy. Unless it can be used to strike the enemy's war-making capacity it is not worth anything.

What the Senator has said is true about having a second-class Air Force. I feel that there is no more tragic, deplorable chapter in American history than the chapter that tells the story of Corregidor and Bataan. We sat here in Washington knowing the desperate situation which faced our American boys at Corregidor and Bataan. We knew that most of them would have to give their lives because we were powerless to send them help. There was not anything we could do. We knew it would take months of time before we could prepare, before we could build up our striking force, and before we could really go out into the Pacific and carry the war to the enemy.

God forbid that the time will ever come again when this Nation, with all its

might, and all its wealth, and all its power, will have to stand helpless and see its sons in the danger and in the tragic situation we found our boys facing at Corregidor and Bataan.

Moved by that thought, I wish to associate myself with the Senator from California in what he has said here today, and express the fervent hope that if the Senate does cut down these funds, the House of Representatives will stand adamant, and that in the final analysis we will go forward with a 70-group air force.

Mr. FLANDERS. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized in his own right.

Mr. FLANDERS. Mr. President, the issue which has been raised by the Senator from California, and which has been so ably supported by the Senator from Alabama, raises questions in my mind which I should like to pose for the consideration of the Senate.

Let me say, first, that I am not questioning the decisions or the recommendations of the various bodies and boards as to the 70-group air force. The question that is raised in my mind is as to the advisability of immediately, in one appropriation, or in a near approach in one appropriation, providing for building a 70-group air force, for the reasons which were so carefully detailed by the two previous speakers.

Mr. KNOWLAND. Mr. President, will the Senator yield on that point?

Mr. FLANDERS. I yield.

Mr. KNOWLAND. I also invite the attention of the chairman of the subcommittee to the statement I am about to make. My understanding is that even the House figure does not provide for the 70-group air force, but would provide for a 58-group air force.

Mr. FLANDERS. That is my understanding also. The progress of design and invention in airplanes is continuous. I feel that we are in very great danger of filling up this 58-group force, which approaches the 70, so rapidly that we will find ourselves with obsolete planes on our hands, and the necessity of replacing them. I am sure the Senator from California knows, as I do, that even our B-36 is under severe criticism from the English. I think the Senator from California also knows that the British feel that they have a jet fighting plane which is superior to those we are producing.

In view of the continuous process of improvement, it would seem to me to be well to stop at the 48-group in this year's appropriation, and continue the building up of the force, with the improved forms which are on the drafting board, which can go into production in the process of building up to a 70-group air force.

We do not want to have a large percentage of obsolete planes under the enormous provision for air forces we are undertaking. I feel very strongly that we should not go back of the recommendations of the President, of the Secretary of Defense, and of the Secretary of the Air Force, but take them at their face value, particularly with the consideration in mind of the danger of over-

loading ourselves with obsolete planes, in the face of continuous improvement.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. KNOWLAND. I should like to point out to the able Senator that as a matter of fact our Air Force is now flying planes which to all intents and purposes are obsolete. All our fighter groups are not equipped with jet planes. Our heavy strategic bomber groups are not yet all equipped with B-36's.

I agree with the able Senator that it would be a mistake to overexpand the program and have the Air Force frozen to any one design, but I also call the Senator's attention to the fact that, when we have been put on notice that the one potential aggressor nation in the world is modernizing and expanding and developing a modern air force in being, if we constantly wait to get the perfect plane we will still have it on the drawing boards while enemy bombers are flying over the United States. As the able Senator so well knows, in any future potential war in this age of the airplane and the atom, the frontiers of this country will not be along the Atlantic seaboard or the great Atlantic cities. They will not be along the Gulf coast. They will not necessarily be along the Pacific coast, which I represent in part. But in the war of the future the frontiers of this country will be our great Midwest, where the shortest route between a potential aggressor and the United States is across the polar ice cap, so that Detroit and Chicago and other cities across the Midwest are in fact on the new frontier.

Mr. FLANDERS. Mr. President, the suggestions and the facts brought out by the Senator from California seem to me to fit right into the picture which I have been trying to present, which is that of a continuous process of development of new planes, whether bombers, interceptors or fighters, or what have you. The present day, if the history of the progress in the field of aviation has not changed, contains the possibilities of new planes in all stages, all the way from the ideas in the engineer's head to the first lines on the drafting board, to the stage of further development of finished designs and details, to the beginnings of the building of new models.

What I am saying is that this progress should be recognized, that we should not freeze too large a part of that force too suddenly. Very definitely the planes which are in highest production at this time are under severe and responsible criticism. I, for one, do not want to see us too closely frozen to them. That is the point of view I am taking. I think we should not go beyond the recommendations of the authorities which call for the 48-group at this time, and I think the Senate will be well advised to leave the appropriation as the committee has reported it.

Mr. O'MAHONEY. Mr. President, I marvel at the equanimity of those who are willing to reduce the appropriation for the Air Force. I have observed this attitude over a long period of years. I was a member of the Appropriations Committee prior to World War II when suggestions were made in that commit-

tee that we ought to have an air force. I sat in the Appropriations Committee when even the Secretary of War said we were fully equipped with planes. I, myself, in 1940 or thereabouts, offered an amendment in the Appropriations Committee to the military bill providing for an increased appropriation to build up an Army Air Force. It was an Army Air Force then. The committee, upon the advice of the Secretary of War, rejected that amendment. I brought the amendment out upon the floor of the Senate. The Senate had a better view of the part that air power plays in war than did the Secretary of War, even though the Secretary of War at that time was the very able Henry Stimson, and the Senate adopted the amendment. But the advice of the War Department against building up an air force prevailed in the Congress, and the amendment died.

It was by reason of the defeat of that amendment on the appropriation bill for the year 1941, that we had the condition so ably described by the Senator from Alabama [Mr. HILL] just a few moments ago with respect to what happened at Bataan and Corregidor.

Mr. President, I would rather have obsolete planes than too few planes. But I submit there is no danger of having obsolete planes. We should not overlook also the additional fact that an air force is not made up of planes alone. It is made up of personnel as well.

I have no apprehension about our studies. We fought that matter out in our consideration of the independent offices bill, and the Senate stood by the recommendations of the appropriations subcommittee in charge of the independent offices appropriation bill, and provided funds for the National Advisory Committee for Aeronautics to extend its studies. We knew then that the great strength of Hitler was in the fact that he had pursued his studies and had built up his air force. We know now that while we are endeavoring to the best of our ability as a Nation and as a people and as a government to lay the foundation of permanent world peace, there is at large an aggressor nation which has the strongest army in the world and which is now endeavoring to build up its air power. It can have only one purpose, Mr. President. I think it is little short of disastrous for the United States, in the face of this condition, deliberately and willingly to cut down the United States Air Force.

Mr. KNOWLAND. Mr. President, will the Senator from Wyoming yield at that point?

Mr. O'MAHONEY. I am glad to yield.

Mr. KNOWLAND. Will the able Senator from Wyoming, who has contributed greatly to the debate with his experience as to what has taken place in other pre-war days, agree with me that this is a responsibility which, under article 1 of the Constitution outlining the duties and the obligations of the Congress, we ourselves have to assume and which we cannot surrender to any other branch of the Government, and that if in our judgment the national defense of the country requires an air force in being which will at least approximate what responsible officials

have declared we should have, we have an obligation to exercise our judgment under the constitutional provision of raising and supporting armies and navies, and so forth?

Mr. O'MAHONEY. I have not the slightest doubt of it. I say that the time is here now. If the Congress does not insist upon having an adequate air force, we shall be without it again, as we were in 1941. Why temporize with such a thing? It is perfectly apparent that if there is to be another war it will be fought in the air. Of course it is expensive. Of course it costs money. Of course it will be a burden to the taxpayers. But the burden which will be cast upon the taxpayers by the maintenance of an effective, efficient, and already-in-being Air Force will be utterly incomparable with the disastrous burden they will have to bear if there should be an attack.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I ask the distinguished Senator from Wyoming how the Secretary of Air, Mr. Symington, feels about this appropriation.

Mr. O'MAHONEY. I do not know. I have deliberately not consulted the Secretary of Air.

Mr. WHERRY. He testified before the committee.

Mr. O'MAHONEY. Yes; he testified before the committee. But at the same time, he was under orders. He is under a chief. He was under the Secretary of Defense. The Secretary of Defense came before the committee saying, "We will save a billion dollars." I say to the Senator that we are running before the wind, as though we did not know what the needs of the country are. There is a clamor in the headlines and in the editorials for the reduction of Government spending. We know that the civilian expenditures of Government constitute less than 10 percent of the total outlay. We know that this great burden of Federal expenditure comes by reason of the fact that we have not yet written the treaties of peace. Yet we are willing to try to balance the budget at the expense of the national defense. We are trying to make a little cut with respect to the United States Air Force. I think it is absurd for us to put ourselves in that position.

Mr. WHERRY. Where would the Senator go to get information relative to the strength of the Air Force which would be more authoritative than the views of the Secretary of Air?

Mr. O'MAHONEY. That evidence is in the record. We do not need any details here. All we need to know here is that this reduction, which has been recommended by the committee, is a reduction from a 58-group air force to a 48-group air force. In my judgment a 58-group air force would be too little.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I remember the testimony of the Secretary of Air very vividly. Let me say to the distinguished Senator, before I ask the next question, that while the Secretary of Air may be under orders,

he was not under orders during the Eightieth Congress, because he came out for a 70-group air force, and I supported him.

Mr. O'MAHONEY. So did I.

Mr. WHERRY. It was on the basis of his judgment that I felt we should have a 70-group air force.

Now the Secretary of Air comes before the committee and is perfectly willing to take a 48-group air force. Once again I rely upon his judgment. He was very forceful in his testimony before the Appropriations Committee a year ago that a 70-group air force was necessary. I am sure the distinguished Senator will remember his testimony. I asked the question, "What do you mean by a 70-group air force, a 48-group air force, or a 50-group air force?" There has always been some question as to what was meant. If I am correct, there is nearly as much money being spent now as there was a year ago, although the number of groups has been reduced. It was difficult for me to reconcile the amounts with the number of groups.

As I remember the testimony, the Secretary of Air said that the number of groups did not mean anything, that we could have a 70-group air force, a 50-group air force or 48-group air force. It depended on how large the groups were. Is it not true that the appropriations are about the same whether the number of groups be 48 or 70? The Secretary of Air told the committee that the amount proposed would be satisfactory to him.

Mr. O'MAHONEY. In the first place we have a law which forbids an executive officer to ask Congress for an appropriation above the budget. We have a budget estimate, which has been submitted. We have a report from the Senate committee which reduces the appropriation recommended by the House. I think that is short-sighted. I think we ought to supply the Air Force with as large an appropriation, within reason, as it is possible for us to do. I feel that the action of the Appropriations Committee in this connection is decidedly short-sighted, considering the conditions which now exist.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I am quite satisfied that I completely agree with the distinguished Senator about appropriating for an adequate Air Force. I took the same position in the Eightieth Congress. I believe that the defense establishment should have not only sufficient money to defend but also to produce an offense. When the Secretary of Air came before the Congress a year ago, even though he might have been foreclosed by the law, he took the initiative. He had the courage flat-footedly to recommend a 70-group air force, even in the face of opposition from those in authority in the administration, who were against that recommendation.

So I submit again to the distinguished Senator from Wyoming that in view of the position the Secretary of Air took then, and in view of the position he takes now, I am guided by his judgment. The

Secretary of Air stated that this was a sufficient appropriation. I know what he did during the Eightieth Congress. My conclusion then was that he had the courage to recommend what he believed to be necessary. I have no reason to disregard his advice now.

I want the RECORD to show that so far as the junior Senator from Nebraska is concerned, he is just as anxious to have an adequate Air Force as is anyone else. An adequate Air Force is absolutely vital. As I relied upon the Secretary of Air a year ago, I rely upon him now in his suggestion with respect to appropriations.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. KNOWLAND. First of all, the able Senator from Nebraska was not present during the earlier part of my remarks, when the question was asked, "If we do not get this information from the service, where can we get the information upon which to base our judgment?" I read into the RECORD the report of the President's Air Policy Board, which stated that in their judgment the minimum requirement for the national defense would be 79 groups. I read into the RECORD the report of the Joint Policy Committee, established by the two Houses of Congress, in which they stated that in their judgment, in phase A, it was essential that we have a minimum of 70 groups.

I read into the RECORD a recent statement, which has been published as a column in Newsweek magazine, by Gen. Carl Spaatz, who was the head of our strategic Air Force during World War II, and who was later Chief of Staff of the Air Force, in which he stated that it was not in the interest of the national defense to make this reduction. Even the program which the House has provided, as the able Senator from Nebraska well knows, does not propose a 70-group air force, which competent witnesses have testified is essential. It would provide only for a 58-group air force. By the Senate committee action that would be cut to a 48-group air force.

I invite the attention of the Senator to the testimony given last year in the universal military training hearings, which were held in March and April 1948. I turn to page 380 of the hearings, and begin with the statement of Stuart Symington, Secretary of Air. This testimony is not in this year's hearings. This is from the universal military training hearings. Secretary Symington said, on page 380:

Secretary SYMINGTON. Today we plan to report to you on the present status of the United States Air Force.

My report is presented in summary; General Spaatz will provide that degree of detailed information you may wish. He is prepared to discuss with you our present capabilities as a fighting force and the effect of the increased program presented by the Secretary of Defense.

The Air Force has only recently begun to emerge from the wreckage of demobilization. Last summer General Spaatz determined that by December 31, 1947, we would assemble our limited combat resources into manned and equipped 55 combat groups, plus 17 separate squadrons. The effort of the

entire Air Force were directed toward that goal, and it has been substantially achieved. Today we have 55 combat groups in fairly good shape but at peacetime strength, very feeble in contrast to our World War II strength of 243 fully manned groups, but nonetheless a nucleus for an Air Force in being.

Then Secretary Symington continues his statement for several pages. I should like the Senator from Wyoming to yield to me further, for a moment, so that I may "button up" this particular point.

Then we come to the situation described on page 387 of the same hearings. I wish to read what occurred at that point. Mr. Symington was on the witness stand, and was being questioned by the Senator from Massachusetts [Mr. LODGE]. I read the following:

Senator LODGE. But last year when I called up to find out what the minimum was, I was told the minimum was 70, and I remember I offered an amendment on the floor of the Senate, and just did not get it passed, and we adopted the 55 limit.

From what you say here on page 4 of your statement, the minimum this year is not as high as the minimum was considered to be last year. What is the minimum this year; not 70, is it?

Secretary SYMINGTON. The minimum of what?

Senator LODGE. The minimum of air groups.

Secretary SYMINGTON. That we recommend?

Senator LODGE. That you consider essential.

Secretary SYMINGTON. Well, in the Finletter Commission report, where we were under oath, we recommended the 70-group program, which consisted of the 70 groups, the 27 National Guard groups, and the 34 Air Reserve groups, and the 22 squadrons.

That has been our recommendation for, I think, the last three budgets, and I know the last two. That is the Air Force, Department of the Air Force, or the Air Department of the War Department.

Senator LODGE. So you still cling to the 70-group figure?

Secretary SYMINGTON. We never changed that, sir.

Senator LODGE. But this statement of yours on page 4 indicates that, what will this give you, 55 plus 34; is that the way it should be read?

Secretary SYMINGTON. No; this gives us 55 groups.

Senator LODGE. What is the difference? Why is there that reduction from 70 to 55? That is what I am trying to get at.

Secretary SYMINGTON. Well, because we only have enough to run 55.

That was the basis of the situation. In other words, they were not being furnished the funds which the Department of Air Force felt were essential for the national defense.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I hope the Senator from Wyoming will permit me to finish reading from the hearings at this point.

Mr. O'MAHONEY. Very well.

Mr. KNOWLAND. A little later in the testimony of the same witness, at the hearings on universal military training, we find the following at page 389:

Senator LODGE. Why does the minimum drop from 70 to 55? You cannot answer that "Yes" or "No."

Secretary SYMINGTON. My answer is we have not got the men because we have not

got the money and we have not got the airplanes because we have not got the money.

Senator LODGE. Why do you not ask for the money, and then you can get the men? Congress will give you the money, I think. I cannot speak for Congress, but the conversations I have had around here, I think the public will support the money to get the men to get the 70 air groups.

Senator KNOWLAND. I would like to ask a question. I am not a member of this committee, but I am a member of the Department of the Army Subcommittee of the Appropriations Committee, which will be discussing this subject in the not too distant future. If the Air Force had in either appropriations or contract authorizations sufficient funds for the 70-group program, is it your judgment from the point of view of over-all national defense that the 70-group program would be essential to the Nation's security?

Secretary SYMINGTON. Well, under a direct question like that, I would say, Yes, sir, it is, and it has been for 2 years.

Mr. O'MAHONEY. Mr. President, I am grateful to the Senator from California for reading that material into the RECORD.

In answer to the Senator from Nebraska, who questioned me about the position of Secretary Symington, I have here the summary of the testimony which was presented to the Appropriations Committee this year.

Mr. WHERRY. Is that on the side slips?

Mr. O'MAHONEY. This is what Secretary Symington said, as quoted in this summary:

The Air Force is presenting today the requirements for funds, based on the program proposed in the President's budget message. From a purely military standpoint, we have testified that in our opinion a large force is necessary, and have so recommended in the past. Our views were based upon our estimate of the requirements of the situation which may be expected to confront us during the next few years, and these views have been supported by the President's Air Policy Commission and by the Joint Congressional Aviation Policy Board. The Air Force recognizes, however, that, as previously pointed out, armed forces are only one component of our total national strength. We recognize, further, the great burden of responsibility on those of highest authority to balance the several components of this strength to meet the needs of the United States; and therefore we support the President's budget.

Mr. President, I submit that is the statement of a good soldier who is following the orders which have come to him. He is supporting a budget; but he has not sacrificed, and neither have the experts in air matters, the conviction which they expressed before, namely, that the United States Air Forces should be large, effective, and adequate to meet the situation.

Mr. TYDINGS and Mr. WHERRY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wyoming yield; and if so, to whom?

Mr. O'MAHONEY. I yield first to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I wish to associate myself with every word the able Senator from Wyoming has said, and I wish to point out to him the additional fact that the Finletter report which recommended the 70-group air

force did not contemplate that we would build a 70-group air force in any immediate period of time. It set it as a target to be eventually reached.

There are two facts in connection with that report which should be mentioned. First, the Finletter report was made at about the time of the Berlin air blockade and the very tight conditions in Berlin. The testimony the Senator from California has read was given at the time of the air blockade. So there was then in being a situation which is not in existence now; and therefore Mr. Symington, as has been pointed out, and as he has told me specifically, is thoroughly satisfied with the 48-group air force, as of this moment.

Mr. O'MAHONEY. Mr. President, now I wish to resume the floor for a moment, because I do not desire to prolong this discussion.

I wish to say that the RECORD should be quite clear that the various armed services, in preparation for fiscal year 1950, made request of the Bureau of the Budget for appropriations totaling approximately \$24,000,000,000. The then Secretary of Defense, the late Mr. Forrestal, sent those figures back to the various services, and said, "You must reduce them below that."

They then came forward with a recommendation for approximately \$18,000,000,000, which went to the Bureau of the Budget, and there it was again reduced. We were striving to balance the budget, at the expense of national defense.

The budget now before us is \$13,248,960,700 for all the armed services. My point is simply this, Mr. President: To date we have cut the budget submitted by the President in the appropriation bills which have thus far passed the Senate by almost \$1,500,000,000. We have demonstrated our desire to eliminate unnecessary expenditures. We have passed the bill authorizing the President to reorganize the executive departments. We have therefore demonstrated our willingness to abolish overlapping bureaus and agencies of Government. The Congress of the United States has done everything in its power, it seems to me to cut expenditures.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. In a moment. My position on the item before us, which involves about \$500,000,000, is that in my judgment it is not an item with which we can afford to trifle. We should make certain by the appropriations we provide that the United States Air Force is adequate in view of the great danger in which the world finds itself.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. TYDINGS. I should merely like to point out, in addition, that the Finletter report, which recommended the 70-group air force, and which was published about 2 years ago, also recommended that in the year 1950 its recommendations be again reviewed in the light of what might then be world circumstances.

Mr. O'MAHONEY. I am sure the Senator from Maryland will agree with me there has been a great deal of

progress in the building up of the Russian air forces since the Finletter report was written. I do not desire to temporize with the matter.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. WHERRY. Referring to page 27 of the report, does the Senator reconcile the testimony of Secretary Johnson with the additional request now being made for \$500,000,000?

Mr. O'MAHONEY. I do not attempt to reconcile it. I think Secretary Johnson, like others, is trying to balance the budget through the reduction of military expenditures. I say to the people of the United States that until the peace treaties are written we cannot afford to temporize with the most important of all, the arms of national defense.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. The reason I mention the matter is that in former colloquy with the distinguished Senator I mentioned the Secretary of Defense, and it appeared as though he might take exception to what the Secretary of Air might recommend. But Secretary Johnson supports the President's request.

Mr. O'MAHONEY. That is correct.

Mr. WHERRY. The request is for a 48-group air force.

Mr. O'MAHONEY. That is correct.

Mr. WHERRY. On that basis I again ask the question, because there appears to be a conflict in the testimony.

Mr. O'MAHONEY. My position is perfectly clear.

Mr. WHERRY. I am not asking about the Senator's position.

Mr. O'MAHONEY. The record is obvious. The budget estimate is the tightest estimate which has ever been submitted for the United States Air Force since we came to realize the importance of the air arm.

Mr. WHERRY. Mr. President, will the Senator from Wyoming yield for another question?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. Is not the appropriation this year for the Air Force as great as it was last year?

Mr. O'MAHONEY. I am not certain. It may be.

Mr. WHERRY. I am sure it exceeds the appropriation for last year. Is it not also true that the total over-all appropriations for military defense are much greater than they were last year?

Mr. O'MAHONEY. I think they are less.

Mr. WHERRY. I think there is a difference of between \$2,000,000,000 and \$3,000,000,000.

Mr. O'MAHONEY. I am not certain.

Mr. WHERRY. I am sure they are greater. I think the difference is in excess of \$2,000,000,000.

Mr. O'MAHONEY. I am not certain.

Mr. WHERRY. I am very sincere about this matter. I agree with the distinguished Senator we should have an adequate Air Force, and it was because of that fact, as I have already stated, that I took the evidence of the Secretary of the Air Force, Mr. Symington,

and the report which has been read by the Senator from California, and similar reports, as the basis for standing upon the floor of the Senate and asking for an increase to 70 groups, last year.

Mr. O'MAHONEY. The Senator was right.

Mr. WHERRY. But the same person upon whose testimony I relied last year, in answer I think to a question which I asked—I cannot put my finger on it at the moment—stated he was entirely satisfied with the amount of the appropriations for the year as outlined in the President's budget. I then asked the question, because I could not be clear in my own mind, why it was, if he was for 70 groups last year, he would accept 48 groups this year. It was then that he gave the explanation that groups really did not mean anything, it was the total amount of the appropriations which counted. So I submit to the distinguished Senator there certainly is a conflict of testimony, and it is very difficult for one who believes in an adequate air force, in view of what has been done in the 2 years, to say now that we should provide this group or that group, in view of the fact that the over-all appropriation is even more than it was last year.

Mr. O'MAHONEY. Mr. President, I am not attempting to argue upon what Secretary Symington's views are.

Mr. WHERRY. Nor am I. The testimony is contradictory.

Mr. O'MAHONEY. I am saying that for myself the evidence is sufficient to convince me it would be a tragic error for the United States Congress to deny the United States Air Force the appropriation which was granted to them by the House of Representatives.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. Certainly.

Mr. KNOWLAND. I hope the Senator from Maryland is still in the Chamber. The able chairman of the Armed Services Committee, as I understand, indicated that at the time of the Finletter report there was generally a serious situation in the world; that at the time the testimony was given on the UMT bill, the Berlin situation was approaching a climax, and that since that time the situation has changed, as I understood his statement. The fact of the matter is—and I wonder whether the Senator from Wyoming agrees with this—the situation has not changed a great deal. It is true the Russians were not successful in their attempt to blockade Berlin, but the situation is still so critical that the administration comes to the Congress, saying we need \$1,400,000,000 to help implement the North Atlantic Pact, to put arms in the hands of our potential allies, who may be subject to an overt overrunning by the Russians. That is not a measure which can be postponed until January of next year. It is a measure which the Congress of the United States must stay here to pass, and pass within a matter of weeks. I say to the Senator from Wyoming, if the situation was so critical in the blockade of Berlin, it is far more critical now when the administration itself comes to the Congress and asks for \$1,400,000,000, and says it is a matter of

such urgency that the committee must consider it, that the Congress must pass the bill forthwith, and that even the modest request of some of the Members of the Senate that we appropriate a limited amount and take another look at it next year would be a mistake, because it is urgent that the entire amount should be provided. I say if that be true, then this certainly is no time, when it seems to me we should be increasing our Air Force to 70 groups which adequate testimony has set as our minimum need, to be cutting our Air Force from 58 to 48 groups.

Mr. O'MAHONEY. The Senator is quite right. In my judgment, the House appropriation for the United States Air Force will do more to help the western nations of Europe than any other appropriation we can pass to place guns in the hands of soldiers over there. It is not the infantry which those nations can build up that will prevent the overrunning of western Europe. It is not the appropriations for ordinary military arming that will prevent the expansion of the Communist force. It is the existence within the United States of an Air Force, the size and ability of which is recognized in the Kremlin. That is the thing which will do more for peace than anything else we can do. It was the strength of the United States Air Force in serving blockaded Berlin that did more than any other one thing to prevent aggression by Russia during the past 12 months. After that demonstration of success, if we willingly cut down our Air Force, it seems to me, Mr. President, we are weakly and supinely surrendering to the opinions of those in the street who do not understand the gravity of the international situation.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I have concluded.

Mr. KNOWLAND. Mr. President, I merely want to say that I fully agree and fully associate myself with the able Senator from Wyoming. It is my judgment, also, that from the point of view of preserving the peace of the world and of protecting our allies in the North Atlantic Pact we could do more good for their security by keeping our Air Force at the 58-group level and take the amount out of the arms implementation bill than we could by reversing the situation, cutting down our Air Force, and sending the same amount of money over there, because the realistic men in the Kremlin will pay more attention to a first-class Air Force in being in this country than they will to a few additional armed divisions when they have such overwhelming numbers that we cannot possibly match them on the ground.

Mr. THOMAS of Oklahoma. Mr. President, I think that the opinion of the committee should be expressed at this point. I realize that I am totally incapable of arguing this question when I have such a distinguished and experienced opponent.

The amendment involves upwards of a billion dollars.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SALTONSTALL. I should like to ask the Senator if he has not made a slightly inaccurate statement. He has stated that this involves a billion dollars—

Mr. THOMAS of Oklahoma. Upwards of a billion dollars.

Mr. SALTONSTALL. Does it not involve nearer \$2,000,000,000, because, if the Air Force is increased, to the extent the Senator from California has indicated in his amendment, the Army appropriation would have to be increased \$1,460,740,000 as testified by General Bradley and in accordance with the figures submitted by the Army?

Mr. THOMAS of Oklahoma. I appreciate the statement just made by the distinguished Senator from Massachusetts.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Maryland.

Mr. TYDINGS. I do not want to get into the debate and cause delay, but I should like to say that the Senator from Massachusetts is exactly correct. It is not only planes that will have to be bought with the money, but we shall have to have the necessary supporting troops to support six more groups. Gen. Bradley has pointed out that in the event the money is spent for planes, the Army must expand and furnish supporting troops, and the amount will be closer to \$2,000,000,000 than to \$1,000,000,000.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHERRY. I cannot find the pages of the testimony of Mr. Symington, but the Senator said he had told him personally—

Mr. TYDINGS. And also the committee. I simply wanted to associate myself in every particular with every remark made by the Senator from Massachusetts.

Mr. THOMAS of Oklahoma. Mr. President, another distinguished Senator has advised the Senate with respect to what should be done regarding our military affairs. The distinguished senior Senator from Alabama [Mr. HILL] served creditably and with great distinction in World War I. Naturally, I am not qualified to discuss this question with him.

Another distinguished Senator, the Senator from California [Mr. KNOWLAND], rendered distinguished service in World War II. From practical experience I feel utterly inadequate to discuss the question with him.

In World War II I had the opportunity of being chairman of a subcommittee of the Senate which was charged with the responsibility of recommending the appropriation necessary to supply and equip our fighting men. I was chairman of the Army Subcommittee and was a member of the Navy Subcommittee. One thing the military authorities must say is that from the beginning of the war until the end of it, they never wanted for money. The Army never wanted for money, the Navy never wanted for money, and the Air Force never wanted for money. In the middle of the war

they were carrying as a balance a surplus of approximately \$30,000,000,000 upon which they could draw from time to time if it were needed. So if there was any deficiency any place in our war program, there was no deficiency in money.

In World War I, I was not in the Congress. I was in my own State senate, where I had charge of appropriations. I registered for service in World War I, but, for obvious reasons, I was not called. With reference to the Spanish-American War, I remember quite well that I might have gotten into that war, but I happened to be in college and was a member of a college company which drilled with wooden sticks for lack of guns. While one company from my college was called into service, my particular company was not called. In my last campaign the charge was made against me that I was a slacker in World War I, a slacker in the Spanish-American War, and on one occasion it was suggested that I was even a slacker in the Civil War. Well, I have a perfect alibi to the latter suggestion and that is that I was not born until many years after that horrible war was ended.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. I do not think the Senator's modesty should prevent him from telling the Senate of the great work he performed in the War of 1812 and the War of the Revolution.

Mr. THOMAS of Oklahoma. I was just coming to that. The Senator from Maryland anticipated my admissions.

Mr. President, I am glad this discussion has taken place, because this a very important bill, and this particular item is very important. The appropriations for 1949 were made last year. The total appropriation was \$10,454,477,413. The budget estimates for 1950, which we are now considering, total \$13,248,960,700, a substantial increase over and above the amount appropriated for last year.

Mr. President, the remarks made by the able Senator from California [Mr. KNOWLAND] were entirely in point. The Senator believes, as I do, that we should leave nothing undone to keep abreast of military preparedness. To do that we should be constantly trying to improve the weapons we provide our men with which to fight.

Let me invite attention to what happened in the recent war. Notwithstanding the money appropriated prior to the breaking out of that war, when we thought we had the best planes in the world, having given the Department all the money it asked for, when the war broke out we came to learn what kind of equipment we had to meet on the battlefield and in the air, and we found that the planes made by Germany and those made by Japan were, in three particulars, better than the American planes. The three particulars were as follows: We found, first, that the enemy planes were equipped with leakless gas tanks. The gas tanks were lined with composition rubber of such a character and so made that a rifle bullet could be shot through the tank, but immediately the rubber would close the bullet hole, and

the gas would not escape. That was defect No. 1 which we found in our own planes.

The second defect was that the enemy nations had surrounded their combat crews with thick, tough armor plate, supposed to be a protection for the crews, at least from the kind of small-caliber bullet that might strike the plane. We did not have our pilots surrounded with tough armor plate. So that was defect No. 2 in our planes.

As defect No. 3, we found the enemy planes were equipped with larger caliber guns than were our planes. When we discovered these defects we had to discard almost entirely the planes we had constructed, and either remodel or rebuild them for combat purposes, or manufacture new planes containing equipment similar to that found on the enemy planes.

Mr. President, in the bill it is recognized that we should have research departments, and should keep abreast, not only of airplane development, but of every other kind of development, including watercraft of one kind and another, those used above the water as well as those used beneath the water, and all kinds of equipment men would be supposed to use in case we should become involved in a real war.

The bill carries some \$250,000,000 for the special purpose of enabling the military authorities to do research work and to have research work done. If that appropriation is not sufficiently large, it should be increased, but that is what they asked for. The bill gives the Department the full budget estimate as to every item that is before the Senate. Of course, as I said yesterday, while they could use money to the amount of the full budget estimate in connection with any particular thing on which they desired to use it, and which was necessary, yet, over-all, the military authorities say they can do what the bill requires, namely, reduce the over-all appropriation total by over \$433,000,000.

Furthermore, Mr. President, we find the testimony in the record to support what the Department requests. Of course, I am glad to have the recommendations of the distinguished Senators who, in war, bared their breasts to enemy fire of all kinds, but from my standpoint I must be guided first by the Commander in Chief of the Nation. He is in a position to get the best advice in the world, and he does get that kind of advice. He has at his call all the experts of America, and he can bring in experts from other places to advise him as to what should be done. Upon the information he receives he makes up his mind, and then approves the budget, which, if appropriated for by the Congress, will give him and his subordinates the money with which to do the things he thinks should be done.

The President depends upon the experts in the Navy for Navy recommendations. He must depend upon the experts in the Army for Army recommendations. He must depend upon the experts in the Air Force for Air Force recommendations. I think I am safe in saying that he has in those three departments the best military minds in the world. I do

not know how that statement can be successfully combated. The President relies upon the best experts we can get. These experts and advisers are the best in the world. Here is how they are developed. We take boys from throughout the country, appoint them to the academies at Annapolis and West Point, where they go through the prescribed courses of study, and receive the best training this great Government can provide. After they have completed their courses and have been graduated, they enter the active life of soldiers and sailors. Those who work hardest and make the best progress gravitate toward the top. After a while they become generals and admirals. Then, if they are still hard working and are proficient, and do the things we expect them to do, those who gravitate to the top are the ones called to Washington to become the advisers of the high administrative officials, the President, his advisers, and the Congress. We have that kind of expert services upon which we can rely. I say we do have that class of expert advice.

The committee is limited in its action to a number of conditions. First, there is the budget estimate. While we are not bound by that specifically, yet it is a recommendation. While we are not bound by the recommendations of the President, or by the recommendations of the Secretary of Defense, or by the recommendations of the heads of the three great component parts of our Military Establishment, we are always glad to have such recommendations.

Mr. President, at this point I desire to read from the record. I shall read first what Secretary Johnson advised the committee. When he was before the committee the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] was present, as he is always present. He is always interested in the items in the military bill. When Mr. Johnson was before the committee the distinguished senior Senator from Massachusetts made this comment:

Mr. Chairman, it seems to me very important that we get from the Secretary a formal acceptance this morning of the fact that he is willing to take a reduction of \$800,000,000.

Secretary JOHNSON. I am willing to back Senator SALTONSTALL in the request I am making to adhere to the President's budget program. In my statement I said I support it. I now reaffirm it.

Further Secretary Johnson said:

We ask for the amount set forth in the President's budget, rather than the amount provided by the House.

Further in the same hearing we had before us Mr. Symington, the Secretary of the Air Force, and he made a statement before the committee. His statement in part was as follows:

We recognize further the great burden of responsibility on those in positions of highest authority to balance several components of this strength to meet the needs of the United States; and, therefore, we support the President's budget.

Mr. President, one more word. From listening to the debate this morning one would get the impression that we had no Air Force to speak of, that what we had was not equipped very well, that

we had no Reserves, and had nothing much to give to our military personnel. The fact is that we have today 20,000 planes of various kinds immediately available for service. The best information we have is that any particular plane that any enemy might have with respect to numbers we can duplicate, even quadruple, sometimes furnish 10 times as many planes of any character as are possessed by any group anywhere in the world.

We are not merely sure that we do have the best planes, but, as for numbers, there can be no doubt, from the best information available, that we have a great number of the best planes American ingenuity can provide.

These planes are in moth balls. We have made them. They are available. All we have to do is to call out the Reserves. We have 27 air groups in the National Guard, all subject to call. The 48 groups together with those of the National Guard make a total of 75. They are all well equipped, with good planes. They are training planes, it is true, but they are equipped with everything the Regulars have. So there are 27 more groups, and if we add that 27 National Guard groups to the 48 other groups, that gives us a total of 75 groups.

The planes we have in reserve, in moth balls, are not old World War II planes. We have a very great number. It is not proper to make a statement as to how many there are, but we have a large number of the finest planes in the world. They are in moth balls. They are new. They are ready. If we should need these planes, all we would have to do would be to call out the Reserves. We have them by the thousands, and in a very short time the Reserves could be trained to such a degree that they could take those planes and begin using them effectively against the enemy.

So, while I realize there is merit in what has been said on the floor of the Senate as to the possibility of the need for a larger Air Force if we had trouble, from my information the threat of war is not imminent, and with the condition of the Federal budget, and with the condition of things otherwise in the Federal Government, it seems to me that the recommendations of the President and the recommendations of the Air Force officials coincide with what the committee recommends. The committee recommends that we give the Military Establishment all the money it requests. If the committee is sustained, the Department will have all the money it asked for and all the money it wants.

In conclusion, if the Senate appropriates the money such funds will not be used.

Mr. LUCAS. Mr. President, I have talked with the Senator from Nebraska [Mr. WHERRY], who is not on the floor at the present time, and I have talked with other Senators on the subject of reaching a unanimous-consent agreement as to when the Senate shall vote upon the pending measure. It is our desire to reach such an agreement. As Senators know, on yesterday I advised the Senate that the calendar would be called tomorrow, and that the Senate would meet

at 11 o'clock on Saturday. I have talked with the Senator from Arkansas [Mr. McCLELLAN], who is now presiding, and who is vitally interested in the bill. We believe if we fix the hour for voting at 2 o'clock on Monday next, with the understanding that the calendar will be called tomorrow, and with the understanding that when the Senate completes its work on Saturday it will take a recess until 11 o'clock a. m. on Monday, that that will afford sufficient time to debate the bill and all amendments thereto. The Senator from Nebraska has agreed to that suggestion. As I said, he is not present in the Chamber at the moment. I told him, however, I would make such a unanimous-consent request.

Mr. SALTONSTALL. Mr. President, in the absence of the Senator from Nebraska, and on the word of the majority leader that the minority leader has agreed to that suggestion, so far as I know, it will be perfectly agreeable to enter into such an arrangement. There are several amendments which I believe will be debated fairly fully. I have no personal objection, however, to the agreement being entered into, if the minority leader has no objection.

Mr. LUCAS. Mr. President, I ask unanimous consent that following the call of the calendar tomorrow the Senate take a recess until Monday next at 11 o'clock a. m., and that at 2 o'clock on Monday the Senate proceed to vote upon the pending bill and all amendments thereto. The time on Monday will be controlled by the distinguished Senator from Arkansas [Mr. McCLELLAN] and myself equally.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me for a question?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. Does that mean that the vote on the pending amendment and on all amendments as we reach them will be postponed until 2 o'clock on Monday?

Mr. LUCAS. The request simply means that when we arrive at the hour of 2 o'clock on Monday, all amendments which have been offered and which have not previously been acted on and the bill itself will be voted upon at that time.

Mr. SALTONSTALL. Then, for instance, respecting a contested amendment of the character of the one now under consideration, does that mean that the vote on that amendment would be postponed?

Mr. LUCAS. Not at all. If we come to the point this afternoon where we can vote on an amendment, we will immediately vote on it.

Mr. SALTONSTALL. So each amendment will be voted on as it is reached and debate upon it is completed; and any amendments still pending, and the bill itself, will be voted on at 2 o'clock on Monday, with the Senate convening at 11 o'clock on Monday.

Mr. LUCAS. The Senator from Massachusetts is correct.

Mr. SALTONSTALL. The minority leader is now present.

Mr. WHERRY. Mr. President, I just entered the Chamber and heard a few words of the discussion.

Mr. LUCAS. I will say to the Senator that I asked unanimous consent that on Monday next, at 2 o'clock, the Senate having convened at 11 o'clock a. m., all amendments which have not been voted on up to that time and the bill itself, be voted on, and that the time on Monday be controlled by the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Illinois.

Mr. WHERRY. Mr. President, I think that is agreeable. I want to ask a question, however. Does that mean that each amendment which is reached this afternoon will have to be voted on today?

Mr. LUCAS. Any amendment that comes up this afternoon, on which the Senate desires to vote, will be voted on today.

Mr. WHERRY. If the rescission amendment is offered this afternoon, or if it is not offered until Monday—I am not sure when it is proposed to offer that amendment—it will be voted upon as one of the amendments, at 2 o'clock on Monday?

Mr. LUCAS. That is perfectly agreeable.

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). The present occupant of the chair would like to inquire whether the unanimous-consent request contemplates that all the rest of the bill will be concluded today, and that we will have the time between the time the Senate convenes on Monday and 2 o'clock, for debate on the rescission amendment?

Mr. WHERRY. That is satisfactory to me.

The PRESIDING OFFICER. The present occupant of the chair will say that if we have the time until 2 o'clock on Monday for discussion of the rescission or economy resolution, that would be satisfactory, but the present occupant of the chair would not want to be precluded from having ample time for debate on that resolution.

Mr. LUCAS. From what I have heard this afternoon, I presume the Senate will probably conclude debate upon all amendments this afternoon, and probably will vote on them, with the exception of the amendment referred to by the Senator from Arkansas who is now in the chair. However, I cannot control the length of time Senators may discuss other amendments.

The PRESIDING OFFICER. The Chair understands the unanimous-consent request to include in it that all time on Monday is to be controlled by the Senator from Illinois [Mr. LUCAS] and the Senator from Arkansas, and therefore we could control the time with respect to the debate on the rescission resolution. That resolution can be debated on Monday until 2 o'clock. All the time up until 2 o'clock can be applied to the rescission resolution under the unanimous-consent agreement.

Mr. KNOWLAND. Mr. President, reserving the right to object, in order to verify the situation, I think it is important that we have some understanding as to whether we will wind up consideration of all other amendments this afternoon, because I think that while the debate on the particular amendment now

under consideration is about closed, and I do not know of many other amendments which will be controversial, it is possible that we might run into something that would carry us over until Monday, and if there is to be legitimate discussion on other amendments to the bill I would not want to see such debate practically completely excluded, because of the 3-hour agreement respecting the amendment to be offered by the Senator from Arkansas. I think it might be a little better to have the understanding that, if we have not concluded this afternoon all the committee amendments and other amendments which may be offered to the bill, when the Senate reassembles on Monday we may continue the consideration of such amendments, and that 3 hours after action has been completed on all the other amendments, then the vote will be had on the bill and on the so-called McClellan amendment. Otherwise, I can see how the consideration of some important matters may be completely shut off.

Mr. LUCAS. I am sure the Senator from Oklahoma [Mr. THOMAS] is willing to stay here all afternoon and tonight, if necessary, in order to get all the amendments out of the way, with the exception of the amendment to be offered by the Senator from Arkansas.

With that understanding, I ask that my unanimous-consent request be considered.

Mr. GEORGE. Mr. President, may the request be repeated? I did not hear it.

The PRESIDING OFFICER. The Senator will state his request again.

Mr. LUCAS. The unanimous-consent request I made, I will say to the Senator from Georgia, is that, if we finish all the amendments this afternoon, or even if we stay in session tonight, if necessary, to finish all the amendments, with the exception of the amendment to be offered by the Senator from Arkansas, which deals with the delegation to the President of the United States of the authority to make 5 and 10 percent reductions, then the Senate will convene at 11 o'clock on Monday, and at 2 o'clock the Senate will proceed to vote upon that particular amendment and on the bill, the time on Monday to be equally divided between the Senator from Arkansas and the Senator from Illinois.

Mr. GEORGE. Of course, the Senator means to exclude all irrelevant amendments and amendments not germane.

Mr. LUCAS. The Senator is correct. That will be included in the unanimous-consent request.

Mr. GEORGE. That any amendments offered must be germane.

Mr. WHERRY. Mr. President, reserving the right to object, I will say that I am in complete accord with the unanimous-consent request, in view of the fact that the distinguished majority leader has stated that, if necessary, there will be a night session tonight, so that all amendments, other than the one which is to be taken up on Monday, the rescission amendment, will be considered and voted on tonight. Is that correct?

Mr. LUCAS. The Senator is correct. That still means that we are going to

have a session tomorrow beginning at 11 o'clock, to call the calendar. I made that announcement yesterday, and I think every Senator knows that the calendar will be considered tomorrow.

The PRESIDING OFFICER. The Chair believes that under the rule a unanimous-consent request of this order necessitates a quorum call, unless a quorum call is waived by unanimous consent.

Mr. LUCAS. Mr. President, I ask unanimous consent that the quorum call be waived.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The Chair hears none, and the quorum call is waived. Is there objection to the unanimous-consent request made by the Senator from Illinois? The Chair hears none, and the agreement is entered into.

The question is on agreeing to the committee amendment on page 69, line 17.

Mr. KILGORE. Mr. President, I feel it is only fair to Members of the Senate and to the committee to explain my opinion of the position of the Appropriations Committee, of the President, and of the Secretary of Air approving the figures which are being debated.

During a period of some 3 years during the war the National Defense Investigating Committee had a subcommittee going through the airplane industry. Many hearings were held, and they are available to any Member of the Senate. The President of the United States, who was then chairman of that committee, knew what those hearings contained. We were constantly told in those hearings by leaders in the airplane industry and by our own military leaders in aviation that a 1-year-old plane was obsolescent, and that a 2-year-old plane was probably obsolete. We were also told that the best way to maintain our strength was to maintain research in test models. It was conclusively proved during the war that we could build 100,000 planes a year once we had the models tested.

We were told by the airplane manufacturers and by our own pilots that the poorest economy in the world would be to standardize on a given plane. In fact, the manufacturing records of the airplane industry show that frame changes were made in every fiftieth plane to come off the line.

Mr. President, it seems to me that it would be the height of foolishness to expend a sum of money in excess of the recommendation of the Secretary of the Air and the Budget Bureau at this time in buying present air frames, when according to all the information we have the best plane Russia has is the B-29. We have acres of them in moth balls.

For that reason I voted to sustain the budget figure. I do not believe there is a Member of this body who is more interested in national defense than am I. I happen to be a member of the Reserve component at the present time, and have been for 30 years.

I do not believe that this appropriation represents a cut. I feel that if the appropriation were to be increased, and

if that were the recommendation of our leaders, it should be increased in the field of training of personnel and building up an adequate research agency capable of carrying on the necessary research and tests. The figures show that about 2 years are required to bring a new model through the testing stage and put it in workable condition to start manufacture. If we have to rebuild our entire air-frame supply every 2 years on a full war-strength basis, or even on a full peace-strength basis, the financial structure of this country will be rather shaken.

I believe that Members of the Senate should read the hearings and the statements which were made by the leaders of the airplane industry, as well as by our own top-flight aviators. I think we should also bear in mind that even with changes in every fiftieth plane to come off the line, we maintained 19 modification centers to take even those planes in and make changes in them in order to keep abreast of changing conditions.

Suppose we were to buy 500,000 planes now or let a contract for them. It would be a make-work order. I believe that we should leave the matter up to those who have been specially trained to advise us as to how many planes we need and what is the best program. At the same time we should try to conserve our strength for the time when we may need it—when we may again have to enter upon a program of 100,000 planes a year in accepted models. The important thing to look to is research and training of pilots, as well as the training of ground personnel. That is where I think we should spend any excess money we have to waste.

For that reason, I wish to defend the action of the committee in the step which it took. I believe that the Budget Director and the President were fully aware of all the testimony which had been adduced in the airplane plants of the country.

Mr. SALTONSTALL. Mr. President, as a member of the Armed Services Committee, and as a member of the Appropriations Subcommittee on the Armed Services, I should like to add a very brief word on this subject.

If the committee amendment is defeated, there will be added to the armed services appropriation \$222,067,000 in cash and \$577,755,000 in contract authorizations. Furthermore, it would add inferentially—and it would have to be done by another motion—approximately \$15,042,279 for additional support on the ground for the increased forces in the air. The latter figure which I have used represents the request of the military authorities, which undoubtedly could be reduced, but it is the only figure we have on which to work.

The committee supported the Commander in Chief, the President of the United States. It is supporting the Secretary of Defense, and his subordinate, the Secretary of Air. All three of those gentlemen have supported the position which the committee has taken. I realize that probably each one of them would like to have the House figure; but I assume that they, like the committee, have balanced this request with other items

which must be considered in carrying on the program. If we accede to all the requests of every service, we shall have a budget far out of proportion to the ability of the country to pay.

Mr. President, I have the greatest respect and friendship for my colleague from California [Mr. KNOWLAND], for my colleague from Alabama [Mr. HILL], and for my colleague from Wyoming [Mr. O'MAHONEY]. I approve the considerations which actuate them. However, there is one fact which has not been brought out, it seems to me, and that is what we are doing for the armed forces in this budget. I invite attention to the fact that the budget now provides, under the Department of the Air Force, for the construction of aircraft and related procurement to the extent of \$1,100,000,000. In addition, it provides, in contract authority, for building new airplanes to the extent of \$1,415,000,000, or a total of \$2,515,000,000.

The Navy has not been mentioned; yet the Navy is also building airplanes. This bill calls for new construction in the Navy of aircraft and related procurement in the amount of \$523,070,000. In addition, it calls for contract authority of \$576,546,000. Adding those figures together very quickly, they amount to approximately \$1,100,000,000 more. So this year we are providing for new aircraft construction in excess of \$3,600,000,000.

We should also bear in mind one item for which the bill does not provide, which may have to be provided in the Military Establishment this year. There is now pending on the calendar a new pay bill, which is estimated to cost \$302,000,000 this year, and about \$320,000,000 a year thereafter.

There is not included in this budget anything for new public works construction, which the military forces estimate at approximately \$400,000,000.

Moreover, included in this budget is \$50,000,000 to provide for a radar screen around the country.

On the other hand, I wish to make it perfectly clear that the provision recommended by the President for universal military training, in the amount of \$800,000,000, is out of this budget. That represents a deduction.

If we want to include as a part of our military strength and security other appropriations, I mention only two which occur to me, namely, the ECA appropriation of approximately \$3,500,000,000 for Europe, which is on its way, and the MAP program, the military assistance program, which is now being considered. The amount of authorization asked for in connection with that program is \$1,400,000,000. Those figures add up to another \$5,000,000,000.

Mr. President, the factor which influenced my decision to stick by the recommendation of the committee was, first, that we shall thus be carrying out the suggestions of the Commander in Chief and his subordinates; secondly, we shall thus be appropriating at least as much as—and perhaps more than—the economic condition of this country can stand, when we bear in mind all the other expenditures of the Federal Government.

Even with what we are doing now, we shall approach a deficit, next year, of approximately \$5,000,000,000. Of course, deficit spending is contagious. We have seen how contagious it is and how difficult it is to overcome.

I wish to make one other statement. I know General Spaatz. I like him. I hope he considers me his friend, as I consider him my friend. He is a vigorous advocate of air power. His judgment in the war was sound. He is a courageous military man in every sense of the word, and he is a strong advocate of the branch of the service of which he has been the commander. He may be entirely correct in what he says about the country's need for air power. I do not dispute that for a moment. However, I feel that we must make haste a little slowly. We have a Navy and a ground force, and those two forces have to support the Air Force in time of emergency. The balance between those forces is hard to work out. The present Secretary of Defense is making some initial steps in that direction. Gradually we shall determine—through new invention, through further research—the relative values of the Navy, the Army, and the Air Force in the days to come; but we must proceed gradually and must make the best of what is practical at the present time.

I would add one other statement. On the calendar at the present time is Calendar 940, House bill 1437, a bill to authorize the composition of the Army and the Air Force. The Air Force authorization carried in that bill is 24,000 serviceable aircraft, or 225,000 air-frame tons. That is the goal toward which we wish to build. I agree with what the Senator from California and other Senators have said, namely, that this appropriation will not increase the number of our airplanes; rather, it will decrease the number. I do not have the figures for the Navy, but I have the figures for the Air Force. I shall not go into them now. But we are building better aircraft; and even though the numbers may decrease, the usefulness and fighting qualities of our airplanes is increasing. So we are improving our Air Force. I dispute the statement my colleague, the Senator from California, has made, to the effect that we are decreasing it. We are decreasing the Air Force in numbers, but we are increasing it in fighting ability.

Mr. President, I am confident that the Air Force would like more planes. I am confident that the Army would like more tanks. I am certain that the Navy would like more ships. We must balance all those elements.

The budget now proposed, and now advocated by the group of Senators led by the distinguished Senator from Oklahoma [Mr. THOMAS], who gave a great deal of time to it, is an effort to follow to the best of our ability the requests of the Commander in Chief for a suitable, rounded-out fighting force for the next fiscal year.

Mr. McKELLAR. Mr. President, I wish to say just a word at this time. As everyone knows, I have long been a staunch friend of aircraft as a fighting component of the armed forces. I think

I have voted for every bill and for every appropriation which has been offered for aircraft.

I believe that in future wars, aircraft and bombs together may play the greatest part. They will certainly play the first part. I would have been glad to vote for a larger number of aircraft, but for the position taken by our leaders. The President, the Secretary of Defense, the Director of the Bureau of the Budget, the Secretary of the Air Force, Mr. Symington—who, in my judgment, is one of the most capable men in the Government and as fine a man as ever lived—generally were satisfied. Not only were they satisfied, but they approved the provision which now appears in the Senate committee's version of the bill.

While personally I would have liked to see a larger amount provided, because I think the Air Force is certainly as good a defense as any we have, nevertheless, after the most careful consideration of the evidence which came before the committee, I reached the conclusion that the authorities were correct in making the request which they did make, and which the Senate committee has voted to allow. I wish to say that I am going to stay with the committee report, and I shall vote for the amount it recommends.

On the other hand, I also wish to say, speaking for myself, that if it is later determined by our military authorities that we need more aircraft or better aircraft or a change in aircraft, so as to have the last word in aircraft for fighting purposes, I certainly shall support appropriations to bring that about, because I am almost entirely convinced that it is our first and best defense; that, great as our Army and our Navy are, and they are the best in the world, our air and bombing departments are our first and best defense at this time, in the present situation of the world.

Therefore, I shall stay with the committee, and shall vote in accordance with its recommendations made by the President, by Secretaries Johnson and Symington. I simply wish to make that statement for the RECORD at this time.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Byrd	Humphrey	Robertson
Cain	Ives	Saltonstall
Chapman	Johnson, Colo.	Schoeppel
Connally	Johnson, Tex.	Smith, Maine
Cordon	Kerr	Smith, N. J.
Donnell	Kilgore	Sparkman
Douglas	Knowland	Stennis
Eaton	Langer	Taft
Ellender	Long	Taylor
Flanders	Lucas	Thomas, Okla.
Frear	McClellan	Thomas, Utah
George	McFarland	Vandenberg
Gillette	McKellar	Watkins
Green	Malone	Wherry
Gurney	Morse	Wiley
Hayden	Mundt	Williams
Hendrickson	Murray	Withers
Hill	O'Mahoney	Young
Hoey	Pepper	
Holland	Reed	

The VICE PRESIDENT. A quorum is present.

Mr. KNOWLAND. I ask for the yeas and nays.

Mr. ROBERTSON. Mr. President, I am an advocate of economy in our National Government. I believe it is imperative for us to balance the budget and to reduce the existing debt as promptly as possible. But at the same time I cannot agree that economy should be attained at the expense of our national security. There are minimum defense requirements which must be met or we shall not long remain in a position to enjoy the fruits of economy.

It is my judgment that House bill 4146, the National Military Establishment's appropriation bill, as it has been approved by the Senate Appropriations Committee, meets the test of promoting economy and at the same time providing for minimum defense needs. I hope that it will be approved by the Senate in its present form.

I feel that I can speak with some authority on this subject, Mr. President, because I have followed the bill closely since it came to us from the House. I attended virtually all the hearings and had an opportunity to ask questions and to weigh testimony of the top military officials. I was impressed at the hearings with evidence of their willingness to cooperate in reducing defense costs.

An important factor in promoting economy is the unification of the command of the branches of our defense organization. Unification finally is working. I saw an impressive demonstration of that fact recently when I had the privilege of observing what is known as Operation Camid at Camp Pendleton, near Virginia Beach last Saturday.

Each year a group of cadets from the United States Military Academy and midshipmen from the United States Naval Academy join the Atlantic Fleet for 2 weeks of amphibious training. This training project is called Operation Camid—cadet midshipmen. It is conducted by the Amphibious Force of the Atlantic Fleet and is participated in by all representative elements of the Navy, including aircraft, submarines, destroyers, marine landing teams, and amphibious vessels. In addition, appropriate units of the Army and the Air Force take active part.

The purpose of Camid is to train the future officers of our three services in the technique of amphibious operations. For 10 days they are shore based where they study and work jointly on the countless details of amphibious operations. They are given lectures and demonstration plays. They study exhibits of the latest amphibious equipment. They take part in practical exercises in which they learn by actually seeing and doing. They plan jointly the landing operation which is the culmination of their training period.

Following this training ashore, they are organized into a joint amphibious task force and embarked for 4 days in the ships of the Atlantic Fleet. In this task force, the landing troops are made up entirely of cadets with their Marine supervisors. Similarly, the midshipmen are organized into corresponding naval units in the transports, landing craft, demolition teams and gunfire support ships. Their training includes an oper-

ation in which live gunfire and air support is coordinated with the landing craft assault waves and a demonstration landing by a skilled marine battalion landing team.

In the Camid operation this year, the final landing took place at Camp Pendleton, Va., as I have said, on the Atlantic seaboard, under weather and surf conditions which added genuine realism. The cadet-midshipment task force carried out an amphibious assault landing involving all the techniques of a wartime operation. This included participation by airborne troops who parachuted into the area in support of the landing force. Jet fighters and helicopters were among the additional features which brought the operation up to the minute in its modern concept. The cadets and midshipmen did a splendid job.

In the short period of 2 weeks, it is not possible to teach these young men all that they should know of the complicated details of amphibious operations. They are, however, exposed to the basic principles, with the hope that their interest will be stimulated and that they will absorb the maximum knowledge.

In the process they learn something that is far more important to officers of our armed services: the paramount requirement for mutual assistance, mutual support, and unity of thought and action, not only in wartime combat, but in peacetime thinking and training.

The Camid operation exemplifies the unification of our armed services on the task force combat level, and teaches our young officers in the beginning of their military careers the principles of coordination and mutual understanding so necessary for the successful conduct of any future war.

I believe, Mr. President, that this unified defense effort is entitled to reasonable financial support, and that is what will be provided by the pending bill as reported by the Appropriations Committee.

Mr. President, before I undertake to make a brief analysis of what we are appropriating for each branch of the service, I want to say a word about the amendment on which we shall shortly vote. With all due deference to the splendid Senator who has offered that amendment, and his fear that our Air Force is not large enough, I feel that we cannot depend for our security on the Air Force alone. If we adopt the Senator's amendment I feel we shall unbalance the program we now have, and we shall then be stressing the Air Force at the expense of the very type of coordinated action I witnessed in such a thrilling manner last week at Virginia Beach and which, so far as any of us know, may still be the method of warfare if we are so unfortunate as to have another war. I cannot believe, Mr. President, that we can rely absolutely for our security, under any circumstances, on only one branch of the service.

I realize there are those who now talk in terms of a push-button war. If some aggressor attacks us, we shall push a button, soar upward, and drop so many bombs that the war will be over in the course of a few days or a few weeks. I

do not hold that viewpoint at all. I do not believe any aggressor will attack us until he is reasonably assured of the chances of success. What will that mean? It will mean that the aggressor may have the same type of airplanes we have. Bear in mind that in World War II not a single bombing mission we sent out failed to get through. The planes we were using at that time would make only 165 miles an hour. Some of them reached the target every time they went out. We know that Russia has six-engined jet-propelled bombers capable of speeds of 400 or 500 miles an hour. We have been told that planes going over a target in excess of 20,000 feet cannot be reached by ground antiaircraft guns. Who can assume that if we should be involved in war, and our enemy has bombers which will make 400 or 500 miles an hour and can fly 20,000 or 25,000 or 30,000 feet up in the air, some of those planes will not come through?

No, Mr. President. If there is a war it will not be an easy one or a short one. It will be a tragedy from which civilization may not recover. But before that war is over, I am convinced that sooner or later we shall get back to the fundamental present concept of war in which all branches of the service will be called upon to take part.

I am happy to say, from my observation of the way in which the unification program is working, and with the fine spirit I observed at Virginia Beach last week, with real amity and friendship between the top-ranking branches of the service, we can have a united effort and make a successful defense.

Mr. President, I want to turn briefly to some of the figures in the bill, because I think it is important for the Senate to know the figures before we vote materially to increase them. Senators should know what we have appropriated; they should know why we did not appropriate more than we have appropriated.

The total cash appropriation as contemplated by the Senate bill is \$12,731,834,478.

The total contract authorization, as reported by the committee, is \$2,058,546,000. This is a reduction of \$540,981,322 in appropriations below the House-approved figure of \$13,272,815,800, and \$577,755,000 in contract authorization below the House total of \$2,636,301,000. It is also a reduction of \$517,126,222 under the cash budget estimates of \$13,248,960,700, and a reduction of \$17,000,000 in contract authorizations below the budget estimates of \$2,075,546,000.

This does not include a reduction of \$275,000,000 in contract authorization for stock-piling of strategic and critical materials, the authorization for which appears in the Second Deficiency Appropriation Act for 1949 and the Treasury-Post Office Appropriation Act for 1950. Together with the reductions from the House-approved military bill, these represent savings in cash and contract authorizations of \$1,393,736,322, a very substantial amount.

I know there are some Members of the Senate who wish that this saving could be greater. I say frankly that I wish that it could be greater, too. Secretary

of Defense Johnson, when he testified, indicated that by the end of the fiscal year he could be making savings at a rate of a billion dollars in the Department of Defense alone. He said that he could do it with the powers given him in the National Security Act. He said that he could do it by eliminating wastage, duplication, and by cutting down on unnecessary civilian personnel. He made a very strong and convincing statement. It will be found on page 32 of the hearings. At the same time he stated that if the committee, or the Congress, were to apply specific cuts of this amount to the Military Establishment the way it is now constituted, it would cut down the fighting efficiency of the armed forces to a danger point. In other words, he said if we in the Congress made specific cuts, the fighting strength would be impaired, but if he were allowed to institute reforms, then he would be able to make savings at the rate of a billion dollars a year without any impairment of the fighting force.

For the reasons given the Senate committee chose what I consider to be a very sane and moderate procedure. First, it restored practically every one of the appropriations to the budget estimate. Then it directed the Secretary of Defense to apply cuts totaling approximately \$433,000,000 to the entire Military Establishment. He is to use his own discretion in applying these cuts, the only stipulation being that the cuts must be made in such a way as to avoid impairing the national security. With this explanation in mind, it appears to me that the Senate will do well to support the committee bill just as it is written.

There is one action of the committee which I believe deserves special comment. The President in his budget estimates requested funds for a 48-group air force. The House, by increasing the cash by about \$222,000,000, and the contract authorization by about \$577,000,000, voted to increase the size of the air force to 58 groups. Mind you, Mr. President, that is the issue pending before us. That is the first amendment on which we are now called upon to vote.

This was contrary to the President's recommendation. When the committee met it was very much concerned as to whether this additional air strength was necessary. It approached the problem with an open mind. It called in Secretary Johnson. It called in the Joint Chiefs of Staff. It called in the Secretary of the Air Force, the Secretary of the Navy, and the Secretary of the Army. It asked them their opinions about the need for a 58-group air force. They were unanimous in stating that they believed that a 48-group air force—the President's approved number—was a proper and adequate number at this time.

Mr. President, I sat there and heard the testimony from the Secretary of Defense, from his assistants in the Army, Navy, and Air Force, and from all the Joint Chiefs of Staff. We said, "Speak freely to us. We want to know the facts. We are not controversial. We are not going to penalize you. You are talking

to us now, and we want the facts. Are 48 groups enough?" They said, "A 48-group force is enough for our security." Who says now it is not enough? I do not know, with all due deference. But whom are we to follow? Certainly the Senate is not going to take the position that we should add six or seven hundred million dollars to this tremendous appropriation bill without some good and sufficient reason for doing so. Certainly no one, at a time when there is a deficit which may run to four or five billion dollars—no one knows how much—would add anything to that deficit for an unnecessary expenditure. Certainly none of us is wise enough to know that if we put hundreds of millions of dollars in airplanes, and do not use them, and will not find it necessary to use them for 5 or 10 years, they will still be usable planes at the end of that time.

The last time I discussed this matter with General Spaatz, who is one of the greatest air leaders we have ever had, and a fine man, he told me that under ordinary circumstances an airplane becomes obsolete in 1 year. The nations are experimenting, they are making improvements. We must make improvements. We must be building better planes each year, if we are to keep abreast.

At Norfolk I saw a base where there are 30,000 flights on one field every month. There is another airport in the United States which has that much air travel, which is not exceeded even by our National Airport here in Washington, which is one of the largest.

Mr. President, what are the planes that use those fields? For the most part, they were planes of World War II, trainer planes. That is what we have now. We are using them now, but the officers at the air base to which I have just referred are hoping and praying that if we have the misfortune to get into another war we will have better planes than that. Yet, I understand that it is proposed now that we build some more of that kind of plane. Perhaps the B-36 is the last word, but who knows it is the last word in a bombing plane?

Mr. President, our committee acted on the very best technical advice the Nation has. Needless to say, it gave us some little satisfaction that we could follow the advice of the military experts and effect just a little economy at the same time. We also followed the advice of the Commander in Chief, who had had the benefit of all the best technical advice before he sent up the budget estimate for a 48-group air force.

Mr. President, the witnesses from the Military Establishment were reminded that the Appropriations Committee was sitting in order to determine for itself as to the adequacy or inadequacy of the 48-group force, and, as I have said, they were told to speak freely if they felt that a 48-group force was not sufficient. They reiterated their previous position. There were no "ifs," "ands," or "buts." These officials—our top military men, on whom we must put our faith in our national security—were emphatic in their stand on a 48-group air force. Under these circumstances, it is my firm conviction

that the Senate would be unwise to alter their decision.

Acceptance of this bill will, I believe, be a step in the direction of what should be the goal of our defense planning. That goal was aptly described to me by Admiral Blandy, Commander in Chief of the Atlantic Fleet, during the Camid operation, when he said the need of the United States is for "a balanced defense team, working with complete unity of thought and action toward a common end: the security of the Nation and the peace of the world."

I cannot close this discussion, however, without expressing my conviction that we cannot place our dependence on our Military Establishment alone. Peace has escaped the chancelleries of the world because it has found no home in the hearts of men. We have developed the unfortunate habit of thinking more in terms of war than in terms of peace and this leads to the unfortunate conclusion that war is inevitable. I do not share that belief. But, neither do I believe we can perfect an absolute defense against bombs being dropped on us.

After observing the atomic bomb test at Bikini, Admiral Blandy said in effect that the nations must learn to live under God or underground. I trust we may find a way to persuade other nations to join us in choosing the former alternative.

Mr. GURNEY. Mr. President, I desire to take only a few minutes of the time of the Senate to advise the Senate of my complete support of the committee action in reducing the item on page 69 to the budget amount of \$1,415,000,000.

I wish to say that this amendment applies only to the Air Force, not to the Bureau of Aeronautics in the Navy Department. In other words, the amendment we are now considering does not cover the whole aviation question as it applies to our National Military Defense Establishment.

If we turn to page 67, we find that approximately \$605,000,000 more is given to the "Bureau of Aeronautics, Aviation."

So by agreeing to the pending committee amendment and passing this bill, we would still appropriate more than \$2,000,000,000 for new airplanes.

Last year, and also the year before, as I remember, Congress appropriated a tremendous amount of money, providing for a huge number of airplanes over and above the number recommended by the Bureau of the Budget.

I refer the Senate to the hearings held last year on selective service. During the hearings held from February through June, a great deal of testimony was taken, and the administration, through the Military Establishment, completely sold the people of America and completely sold the Congress of the United States on the necessity for an increased Defense Establishment. Congress passed the Selective Service Act. That act would have provided the personnel necessary to man the increased number of planes which were appropriated for last year and the year before, or at least would have come close to doing so. The planes appropriated for were ordered by the Air Force and the Bureau of Aeronautics, Navy Department, and Congress

adjourned about the 1st of July last year, being fully justified in believing, in my opinion, that that augmentation of the Air Force and the Army and Navy was going to be made. We were told of the necessity for such increase. Everyone in Congress believed the increase to be necessary.

Not only did Congress pass the legislation to which I have referred, but it passed the Unification Act, because Congress believed in the necessity for economy. Consequently, if we do not agree to the committee amendment today we must reverse the policies which have been adopted this year, which are entirely different from the policies adopted by Congress last year.

All Senators will remember that after Congress went home last year, the President, in the month of October, said in effect:

We will deactivate the selective service. We will make no further call for an increased number of personnel to come into the Army.

Remember that the selective-service law authorized the induction into the Ground Forces of a total number of 844,000 men. The President, in issuing his order in October, said that 690,000 or 692,000 were all that were necessary. Proportionate reductions were made in the number of men authorized for the Air Force and the Navy.

That, Mr. President, so far as the national defense is concerned, was a very vital decision. I say that decision was made by the administration last October, when the administration decided to cut down the number of men in the Air Force, in the Army, and in the Navy.

Probably at about the same time a decision was made which affected the Bureau of Aeronautics, Navy Department, for very shortly thereafter we had a rescinding of the order the Navy had issued to build a large airplane carrier. So decisions were made then by the administration cutting down the number of men in the Army and stopping the construction of the large airplane carrier.

This year the administration said to the Appropriations Committee:

We want a stronger Unification Act. We want to give authority to Secretary Johnson so he can really effect economy.

Secretary Johnson has just notified Congress of certain steps he has taken in the last few days to let out of the service 135,000 civilian employees. Extra civilian employees are needed to maintain more airplanes. So if we pass this bill we can anticipate that sooner or later the same civilian employees the Secretary proposes to discharge will be put back on the job.

Mr. President, possibly all the decisions I refer to fit into the picture of ECA aid to Europe, and arms implementation to Europe. Certainly they all deal with one subject, the security of the United States. The decisions in question were made. Certain actions were taken. Instead of having an air force of 58 groups, as it was intended we should have under the appropriation bill passed last year, we now have the recommendation of the administration that we provide for only 48 groups in the Regular Air Force Establishment, and that we

provide only about \$600,000,000 for new airplanes in the Navy.

Certainly Congress cannot expect that if now we appropriate more money for airplanes the appropriation will be activated and carried into effect in direct contradiction of the whole defense policy which has been decided on by the administration. Because of the fact that I do not have knowledge as to whether we should have more airplanes in the Navy or in the Air Force, or whether they should be B-36's or jet planes or some other kind of planes, I believe Congress can adjourn with a clear conscience if it accepts the recommendation which comes from the Military Establishment and the administration, because it is certain that items of this size must be dovetailed in together with our whole national security plan.

Mr. President, I shall not stand on the floor of the Senate and say that I believe Congress could not feel safer if we had 100 or 200 more B-36's. I believe, however, that our first defense is keeping our economy sound. The placing of a further load of \$500,000,000 on the backs of the taxpayers does not seem to me to be a good idea at this time.

With respect to mechanical means, material things for the protection of our country, I should rather have our resources in aluminum sheets, in productive capacity, for I believe that if we were to get into a war in a year or two years from now we would be better served if we could then build the newer type of planes that we would have knowledge of at that time.

For all these reasons, and many more—and I will say I have spent some time studying the national security problem—I shall support the committee amendment providing for \$1,415,000,000 in contract authority for the Air Force.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 69, line 17.

Mr. KNOWLAND. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Has any Senator answered to his name?

The VICE PRESIDENT. No Senator has yet answered to his name.

Mr. THOMAS of Oklahoma. Mr. President, a further parliamentary inquiry. Is it not a fact that the vote comes on a proposed reduction for the Air Force sufficient to eliminate 10 groups, and that a vote "yea" means a vote to support the committee amendment, and a vote "nay" is a vote against the committee amendment?

The VICE PRESIDENT. A vote in the affirmative is a vote in favor of the committee amendment making a reduction in the appropriations for the Air Force. A vote in the negative means a vote against the committee amendment, and, in effect, for the higher amount in the House language.

The Secretary will proceed with the call of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. LEAHY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. O'CONOR] are absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Connecticut [Mr. McMAHON], and the Senator from Idaho [Mr. MILLER] are necessarily absent.

The Senator from North Carolina [Mr. GRAHAM] is absent by leave of the Senate on public business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from West Virginia [Mr. NEELY] is absent on official business.

The Senator from Washington [Mr. MAGNUSON], who is detained on official business, is paired on this vote with the Senator from Pennsylvania [Mr. MARTIN]. If present and voting, the Senator from Washington would vote "nay" and the Senator from Pennsylvania would vote "yea."

The Senator from South Carolina [Mr. MAYBANK], who is detained on official business at the office of the Secretary of Defense, is paired on this vote with the Senator from Maryland [Mr. TYDINGS], who is detained on official business. If present and voting, the Senator from South Carolina would vote "nay" and the Senator from Maryland would vote "yea."

I announce further that on this vote the Senator from Connecticut [Mr. McMAHON] is paired with the Senator from Michigan [Mr. FERGUSON]. If present and voting, the Senator from Connecticut would vote "nay" and the Senator from Michigan would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from New York [Mr. DULLES], the Senator from Massachusetts [Mr. LODGE], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNER], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Michigan [Mr. FERGUSON], who is absent by leave of the Senate, is paired with the Senator from Connecticut [Mr. McMAHON]. If present and voting, the Senator from Michigan would vote "yea" and the Senator from Connecticut would vote "nay."

The Senator from Pennsylvania [Mr. MARTIN], who is absent on official business, is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Pennsylvania would vote "yea" and the Senator from Washington would vote "nay."

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from Missouri [Mr. KEM], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Colorado [Mr. MILLIKIN] are detained on official business.

The Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] are absent by leave of the Senate, and they have a general pair.

The result was announced—yeas 49, nays 9, as follows:

YEAS—49

Byrd	Hoey	Saltonstall
Cain	Holland	Schoeppel
Chapman	Humphrey	Smith, N. J.
Connally	Ives	Stennis
Cordon	Johnson, Colo.	Taft
Donnell	Kerr	Taylor
Douglas	Kilgore	Thomas, Okla.
Eaton	Langer	Thomas, Utah
Ellender	Long	Vandenberg
Flanders	Lucas	Watkins
Frear	McClellan	Wherry
George	McFarland	Wiley
Gillette	McKellar	Williams
Green	Malone	Withers
Gurney	Murray	Young
Hayden	Reed	
Hendrickson	Robertson	

NAYS—9

Hill	Morse	Pepper
Johnson, Tex.	Mundt	Smith, Maine
Knowland	O'Mahoney	Sparkman

NOT VOTING—38

Aiken	Fulbright	Magnuson
Anderson	Graham	Martin
Baldwin	Hickenlooper	Maybank
Brewster	Hunt	Miller
Bricker	Jenner	Millikin
Bridges	Johnston, S. C.	Myers
Butler	Kefauver	Neely
Capehart	Kem	O'Conor
Chavez	Leahy	Russell
Downey	Lodge	Thye
Dulles	McCarran	Tobey
Eastland	McCarthy	Tydings
Ferguson	McMahon	

So the committee amendment was agreed to.

The VICE PRESIDENT. The next committee amendment will be stated.

The next amendment was, under the subhead "Special procurement," on page 70, line 1, after the word "for," to strike out "\$134,477,000" and insert "\$126,139,000."

The amendment was agreed to.

The next amendment was, under the subhead "Acquisition and construction of real property," on page 70, line 7, after "(Public Law 626)", to insert "and the act of March 30, 1949 (Public Law 30)"; and in line 11, after the figures "\$5,445,000", to insert a semicolon and "and, in addition, not to exceed \$50,000,000 of the appropriations for the Department of the Air Force made by this act may, in the discretion of the Secretary of Defense, be transferred to and merged with this appropriation, to be available until expended for the foregoing purposes, or in lieu of any part thereof, contract authorizations contained in such appropriations may be utilized for the purpose hereof."

The amendment was agreed to.

The next amendment was, under the subhead "Maintenance and operations," on page 72, line 11, after the word "otherwise", to strike out "\$1,199,792,000" and insert "\$1,068,864,000."

The amendment was agreed to.

The next amendment was, under the subhead "Military personnel requirements," on page 74, line 16, after the word "sentence", to strike out "involving dishonorable discharge"; and in line 18, after the word "enlistment", to strike out "\$1,263,623,000" and insert "\$1,201,000,000, of which \$5,000,000 shall be immediately available and may be transferred to the appropriation 'Finance Service, Army,' subhead 'Pay of the Army,' 1949."

The amendment was agreed to.

The next amendment was, under the subhead "Research and development," on page 75, line 13, after the word "expended", to strike out "\$233,000,000" and insert "\$215,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries and expenses, administration," on page 78, line 15, after the word "station", to strike out "\$59,870,000" and insert "\$58,425,000."

The amendment was agreed to.

The next amendment was, under the subhead "Contingencies," on page 78, line 21, after the word "certificate", to strike out "\$15,200,000" and insert "\$14,467,000."

The amendment was agreed to.

The next amendment was, under the heading "Title VI—General provisions," on page 83, section 610, line 14, after the word "section", to insert "or any other provision of law"; in line 18, after the word "Guard", to strike out "or"; and in line 19, after the word "Corps", to insert "Naval Reserve, or Marine Corps Reserve."

The amendment was agreed to.

The next amendment was, on page 84, after line 9, to strike out:

After June 30, 1949, no appropriation contained in this or any other act shall be available for payment of rental or quarters allowances to personnel of the services mentioned in the title of the Pay Readjustment Act of 1942 for any periods during which they occupy, with their dependents, if any, quarters under the jurisdiction (for rental purposes) of any such services.

The amendment was agreed to.

The next amendment was, on page 87, section 620, line 22, after the word "act", to insert "(except those for liquidation of prior contract authorizations)."

The amendment was agreed to.

The next amendment was, on page 89, after line 4, to strike out section 622, as follows:

SEC. 622. The Secretary of Defense is authorized and directed, whenever in his judgment the best interests of the United States so require, to direct the insertion of a clause incorporating the Renegotiation Act of 1948 in any contract for the procurement of ships, aircraft, aircraft parts, and the construction of facilities or installations outside continental United States entered into by or in behalf of the Department of the Army, the Department of the Navy, or the Department of the Air Force which obligates any funds made available for obligation in the current fiscal year.

And in lieu thereof to insert the following:

SEC. 622. (a) All negotiated contracts in excess of \$1,000 entered into during the fiscal year 1950 by or on behalf of the Department of the Army, the Department of the Navy, or the Department of the Air Force, and all subcontracts thereunder in excess of \$1,000, are hereby made subject to the Renegotiation Act of 1948 in the same manner and to the same extent as if such contracts and subcontracts were required by such act to contain the renegotiation article prescribed in subsection (a) of such act. Each contract and subcontract made subject to the Renegotiation Act of 1948 by this section shall contain an article stating that it is subject to the Renegotiation Act of 1948. In determining whether the amounts received or accrued to a contractor or subcontractor during his fiscal year from contracts and subcontracts subject to the Renegotiation Act of 1948 amount in the aggregate of \$100,000, receipts or accruals from contracts and subcontracts made subject to such act by this section shall be added to receipts or accruals from all other contracts and subcontracts subject to such act.

(b) Notwithstanding any agreement to the contrary, the profit limitation provisions of the act of March 27, 1934 (48 Stat. 503, 505), as amended and supplemented, shall not apply to any contract or subcontract which is subject to the Renegotiation Act of 1948.

Mr. KILGORE. Mr. President, before this committee amendment is voted upon, I offer to it an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 90, in line 8, after the period, it is proposed to insert the following:

It is the sense of the Congress that the Secretary of Defense, in exercising his discretion to exempt subcontracts, either individually or by general classes or types, will take into consideration the competitive conditions affecting the sale of any article covered by such subcontract or subcontracts and the protection of the Government against excessive profits being earned thereon, and, insofar as practicable, will exempt such subcontract or subcontracts if he finds such action to be in the public interest.

Mr. KILGORE. Mr. President, with reference to this amendment to the committee amendment, let me say that I realize it would have no actual legislative effect, but merely would express the position of the Congress. The purpose is to encourage and permit manufacturers of commercial products who sell them under Government contracts or subcontracts to feel assured that where there is actual competition, the contracts or subcontracts will not be subject to renegotiation, but that the renegotiation clause may be omitted. The situation is adequately protected; but this amendment to the committee amendment is an admonition to the Secretary of Defense to scrutinize these contracts. This amendment to the committee amendment pertains particularly to subcontractors who are manufacturing a standard product which is in competition. Under this committee amendment, all such contracts could be renegotiated.

The amendment to the committee amendment has been submitted to the Renegotiation Board and also to the staff of the Appropriations Committee and to

the National Defense Establishment, and all of them agree to it. They have no objection whatsoever to it.

Mr. FLANDERS. Mr. President, I wonder whether the Senator from West Virginia would give consideration to the alternative, namely, removing section 622, and leaving the situation as it is under the act of March 27, 1934.

My reasons for the suggestion are these: The renegotiation provision is fundamentally a wartime provision which would take care of conditions under which no one could predict in advance what would be the cost of manufacture. So it was mutually agreeable, under war conditions, for the Government and the contractor to review the results of the contract, after performance of it had been completed. I presume that situation still occurs in some cases. It does in the case of shipbuilding and some other things. But this provision, as written into the bill, to my mind carries over in an extreme form and in an administratively difficult form a provision which was intended primarily for wartime conditions.

However, it places an intolerable burden on small business. The \$1,000 limit makes this provision apply to the smallest businesses to be found in the United States. It is merely another indication of our laxity, our obtuseness, our lack of understanding, when, after we set up committees for small business and make extensive speeches here on the floor of the Senate in favor of small business, we then try to put through a provision of this sort which would prevent small business from doing anything for or with the Government without an infinite amount of trouble, without reference to the most elaborate kind of cost keeping and figuring and analysis of overhead and direct costs, figures which are available to large businesses, but are completely out of the reach of small businesses.

I earnestly suggest to the Senator from West Virginia that he consider eliminating this provision entirely. It is very bad.

Mr. KILGORE. Mr. President, in reply to the Senator from Vermont, let me say to him that if he will carefully scrutinize the part which has been taken out he will discover that that part does not protect small business very much. It chiefly protects large business. As originally written, it will not exclude those who furnish parts for ships. The most expensive part of the building of a ship is the propulsion machinery. Yet that would be absolutely restricted. The propulsion machinery is normally specified as a custom-built article, which can be built by only one company or firm. Therefore, there would be no possibility of competitive bidding.

Let me say that we mulled over this matter for some time, and very thoroughly; and we adopted this proposal as a method of protection, where there is any possibility of competition.

Mr. FLANDERS. Mr. President, I ask the Senator from West Virginia whether the section as amended, which I take it includes all that is in the section as reported by the committee, does not cover

everything from devil's hair to dog's wool, so long as it is over \$1,000; and it applies to the Department of the Army, the Department of the Navy, and the Department of the Air Force, which means the whole Defense Establishment. I earnestly suggest to the Senator from West Virginia that it covers altogether too much.

Mr. KILGORE. Of course, neither the Senator from Vermont nor I should discuss the question of hair too deeply, unless we are going to use dog's wool for toupées.

I am merely supporting the amendment to the committee amendment in an endeavor to protect small business. The thing about the original draft of the bill to which I objected was that it only excluded ships. Frankly, the greatest waste I found in 5 years of investigation of ships had to do with propulsion machinery. The shipbuilder buys his propulsion machinery. He merely builds a hull and makes an assembly. For that reason I should prefer to argue my amendment to the committee amendment now, leaving the committee amendment to be argued after my amendment has been passed upon.

Mr. FLANDERS. Mr. President, I think perhaps the point made by the Senator from West Virginia is well taken. When his amendment to the committee amendment is disposed of, I hope we may dispose of the corpus delicti of the committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from West Virginia to the committee amendment.

Mr. THOMAS of Oklahoma. Mr. President, the amendment has been considered, and, so far as I know, the committee has no objection to it.

The VICE PRESIDENT. Without objection, the amendment offered by the Senator from West Virginia to the committee amendment is agreed to.

Mr. FLANDERS. I move to amend the bill, on page 89, by striking out section 622 (a) in the committee version of the bill.

The VICE PRESIDENT. A negative vote on the committee amendment, the Chair will state to the Senator, would accomplish the same result. The question is on agreeing to the committee amendment, and it is unnecessary to move to restore the House language, because a negative vote would accomplish that purpose anyway.

Mr. FLANDERS. Mr. President, again I bow to superior parliamentary wisdom. I only urge that this body do not agree to the committee amendment.

Mr. CORDON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Oregon?

Mr. FLANDERS. I yield.

Mr. CORDON. The Senator made the statement in his argument a moment ago that this section would apply renegotiation to every contract in excess of \$1,000; which, on the face of it, standing alone, would be correct. But the purpose of the amendment and what it accomplishes and what the language accomplished last year is simply to bring

within the Renegotiation Act any contract of \$1,000 and more, when such contract, plus others, create the minimum amount which can be renegotiated, which is \$100,000. So that any initial and prime contract under \$100,000, is not subject to renegotiation under this act.

Mr. FLANDERS. I take it, however, that any subcontractor—that is, the small-business man—having a subcontract to the amount of \$1,000, under the \$100,000 limitation, is in jeopardy.

Mr. CORDON. That is correct.

Mr. FLANDERS. I seriously doubt whether a body as sensitive to the troubles of the small-business man as the Senate is will agree to the renegotiation of \$1,000 subcontracts.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

Mr. CORDON. Mr. President, I should like to speak in my own time, if the Senator from Vermont has concluded.

Mr. FLANDERS. I yield the floor.

Mr. CORDON. I shall support the committee amendment. The purpose of it, as it first appeared in appropriation language after the war, was to try to reach the kind of contract which it was clear would be essential in any type of procurement where the thing to be procured was noncompetitive. The evidence which, in the opinion of the committee, was most persuasive was that numerous negotiated contracts were being made by the armed services in the nature of the purchase of new types of matériel for the armed services in the field of guided missiles, in the field of improvements to aircraft, in the field of experimental types of motor vehicles, of armament, and of different types of armor itself. It was clearly impossible for the Government through the armed services to contract with the necessary manufacturers to produce that type of equipment and have a firm contract as to price. Neither could know in advance what the expenditure might run to. Neither could know in advance whether a prototype would be followed by a considerable investment. The result was that we were in a field in which the Government, in order to get firm contracts, would be compelled to pay very much more than it would have to pay were it possible to know costs in advance. The application of renegotiation to that situation would permit the Government to renegotiate the contract, and, at its conclusion, to determine by renegotiation the reasonable value of the services performed and of the thing received.

I hope the Senate will agree to the amendment. I believe it is in the interest not only of the Government but of the suppliers themselves.

Mr. FLANDERS. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Vermont?

Mr. CORDON. I am glad to yield.

Mr. FLANDERS. Was the Senator on the Appropriations Committee?

Mr. CORDON. I was.

Mr. FLANDERS. Did the armed services request this provision?

Mr. CORDON. I do not recall the exact circumstances. My memory is the request first came from the Navy. I am not certain. It came from one of the arms of the service before unification.

Mr. FLANDERS. I should be very much interested to know the source of the amendment.

Mr. CORDON. It came from one of them, but I do not now recall which.

Mr. FLANDERS. It was no friend of the small-business man, whoever it was.

Mr. CORDON. Mr. President, I may say with reference to that, the amendment cannot hurt any businessman, either small or large, who has for sale anything which has a settled and fixed competitive price.

Mr. FLANDERS. That confines the small-business man in his dealings with the Government to things which have a competitive and fixed price, if he wants to keep out of infinite trouble, for which he is poorly prepared. I trust the Senate will not agree to the amendment.

Mr. CORDON. Happily, Mr. President, the amendment will not have the result contended for, in my opinion. In those instances in which noncompetitive production is necessary, there must first be a contract in excess of \$100,000. In only a very few instances—and they would be most rare—would a contract of that character at this time and in this day and age be subcontracted so far as the noncompetitive factors involved are concerned. So far as purchases by a contractor of materials and supplies which by themselves have fixed values are concerned, there would be no need for renegotiation, and there is discretion in the amendment under discussion. I hope the amendment will be agreed to.

Mr. ROBERTSON. Mr. President, before I discuss the pending amendment I wish to propound a parliamentary inquiry. The House sent us a bill containing a renegotiation provision. The Senate amended that renegotiation provision. I understand the Senator from Vermont has offered an amendment. What would be the effect if the amendment of the Senator from Vermont should be adopted?

The VICE PRESIDENT. The Senator from Vermont has not offered an amendment. He is urging that the committee amendment be defeated.

Mr. ROBERTSON. Then, Mr. President I shall discuss the difference between the House provision and the Senate provision, because I was a member of the committee that handled it and I heard all the testimony. The provision in the Senate bill is the one which I prepared, plus an amendment adopted by the committee which was offered by the Senator from Oregon [Mr. CORDON]. Senators will recall that the first renegotiation provision was inserted in a bill in the early part of defense spending. It was offered, I believe, by Representative CHASE. It was found to be unworkable, and the matter was referred to the Ways and Means Committee and I was assigned to draft a comprehensive renegotiation bill. A subcommittee worked on it for approximately 2 months and found it was one of the most technical and difficult things we had ever undertaken. A bill was drafted and passed.

We recovered approximately \$5,000,000,000 in direct contracts, and possibly \$10,000,000,000 in reductions on the basis of renegotiated contracts. We are again moving into a big spending period, when we see \$15,000,000,000 in cash appropriated for our defense program.

The Army, the Navy, and the Air Force have a joint committee on renegotiation, and it is my understanding that that committee got the House to adopt the renegotiation section which is in the House bill. When I studied it, I felt they had not done a good job and that the language inserted would not do what they said they wanted to do. So I redrafted it. The House bill provided for the renegotiation of renegotiated contracts. It applied to competitive contracts and to parts of airplanes. Since we were going into a big shipbuilding program I felt that it would be desirable to add ship parts. So I included that in my redraft of the bill. Representatives of the Army, Navy, and Air Force who were on the renegotiating committee came before us and testified. They said it would impose a great burden on them to renegotiate parts of ships, because they had had much experience in awarding ship contracts, mostly by competitive bids, and they knew so well what these small parts would be that they did not feel the expense they would be forced to incur to renegotiate with subcontractors on parts of ships would justify any possible saving the Government would make on such contracts.

I then struck out the ship parts, which left my amendment just as the House amendment was, but, in my opinion, in better technical language. The representatives of the armed forces all agreed that it was better language and was satisfactory.

Then the distinguished Senator from Oregon [Mr. CORDON] said, "Let us make it apply to all parts." The committee, frankly, over my protest, adopted the Senator's amendment, which would apply to all parts in excess of \$1,000.

If we do not adopt the committee amendment, we shall get an improperly worded amendment in the House bill which will cause, in my opinion, untold confusion in the renegotiation of contracts. But if we adopt the Senate amendment, it will be a very simple matter for the conferees, for it will be too burdensome to small business to have all small contracts renegotiated, to eliminate that part of the Senate amendment and accept the intent of the House bill in the language of the Senate bill.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. FLANDERS. I should like to inquire of the Senator from Virginia whether he is willing to formulate that amendment now and see whether we cannot vote for it. Personally, I am unwilling to leave the fate of the small-business man to a conference. The responsibility lies right here on this floor.

Mr. ROBERTSON. It is a very simple matter to take out the language of the Senator from Oregon, which was added to my amendment. But, frankly, I do not feel at liberty, the committee having acted, to offer that amended amendment.

I concede it would be very definitely the privilege of the Senator from Vermont to offer it, and I should be glad to show him how to do it, if he wants to offer it. But I should prefer not to offer the amendment myself, for fear—because the distinguished Senator knows the inclination of members of the Appropriations Committee to feel that when we have acted we are under some obligation to stick together—for fear we shall get the language in a hopeless tangle. I would not object at all to seeing the protection of small business, to which the Senator refers, placed in the hands of the distinguished conferees of the House and Senate, with an opportunity for the Senator from Vermont to point out that it would be burdensome for small business, which does only a part of the business with the Government, to have to keep a set of books in order to renegotiate contracts in connection with a portion of the business because, if they have to renegotiate, they must renegotiate everything. But I can see no difficulty or danger in leaving the matter to the conferees, to whom, in the quiet of the Chamber, the real facts can be presented with the logic for which the Senator from Vermont is so justly famous.

Mr. FLANDERS. Mr. President, I thank the distinguished Senator from Virginia for his expressions of appreciation of my abilities, and so forth, but I feel that those abilities have not yet been adequate to presenting this case. We cannot dodge the responsibility on the floor of the Senate and place it on the conference committee. No more can we dodge the responsibility of leaving the matter, as was suggested at one point in the discussion, to administrative action. Anyone who has had any business with the Government knows the vagaries, the difficulties, the endless complications, the duplication, the triplication, the sextuplication, and all the things involved in leaving it to administrative action. The small-business man simply must not be subjected to that. The sum of \$1,000 is ridiculous. I find myself, Mr. President, in trying to protect the small-business man, in this position: It has been suggested that the amendment could be so reworded as to protect him; but those who have brought forward the amendment and know most about it seem to feel at least morally obligated to distress the small-business man.

I do not see why, if they feel that moral obligation, they should not also feel some obligation to safeguard him by offering a protecting amendment. Personally, I am unfamiliar with the earlier legislation in its details. The knowledge which is possessed by the members of the committee is essential. I, myself, should feel at a loss at this short notice to draw up an amendment which would give adequate protection. Why should not a member of the committee offer such an amendment?

Mr. ROBERTSON. I reply to the Senator from Vermont that the amendment offered by the Senator from Oregon [Mr. CORDON] was vigorously opposed by me in the committee, and it was adopted over my vote, and it now comes to the Senate as the action of the majority of the committee. My position was clear.

Mr. FLANDERS. Mr. President, I should like to ask the Senator from Virginia whether, as an individual with a heart for the small-business man, and not for the moment as a member of the committee, he would be able to suggest to me the terms of an amendment which would reduce or remove the jeopardy in which the small-business man finds himself.

Mr. ROBERTSON. I would not feel that there was any inconsistency in my allegiance to the committee, and the committee chairman and the chairman of the subcommittee, in complying with the friendly request of the distinguished Senator, but it would take me a few minutes, of course, to point out just where the change could be made in the language, because the amendment is highly technical.

Mr. GURNEY. Mr. President, if the Senator from Vermont would agree, in order to give him time to figure out the change he might desire in the amendment, I would suggest that we have unanimous consent to pass over section 622 at this time, and return to it after we have completed the other amendments in the bill. If it is agreeable to the Senator, I will make such a request for unanimous consent.

Mr. FLANDERS. I wish the Senator would do so.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the order is made.

ORDER FOR CALL OF THE CALENDAR

Mr. LUCAS. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in recess until 11 a. m. tomorrow, at which time the calendar will be called for the consideration of measures to which there is no objection, beginning with Calendar No. 853, H. R. 1758, and also including Calendar Nos. 496, 671, 735, 832, 833, and 849.

Mr. GURNEY. Mr. President, I hesitate to trust my memory and allow such a request to go through, because I know there are one or two other bills on the calendar in which I am interested.

Mr. LUCAS. The bills to which I have called attention, I think, with the exception of two, were measures which it was agreed at the previous call of the calendar should be considered at the next call.

Mr. GURNEY. There may be one or two others.

Mr. LUCAS. Very well; I shall withdraw the request.

Mr. GURNEY. I had hoped the Senator from Illinois might say that we might call up for consideration a few other bills on the calendar previous to No. 853.

Mr. LUCAS. I cannot do that, and I shall withdraw the request, because if we start that, there will be no end to our going back. We might just as well begin at the beginning of the calendar if we are to do that.

Mr. GURNEY. Mr. President, I should like to ask the Senator from Ohio [Mr. TAFT] if there was not a bill on the calendar in which the Senator from Georgia [Mr. GEORGE] was interested, along with some of the other Senators. I am

informed it is Calendar No. 838, House bill 5268.

Mr. TAFT. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Ohio.

Mr. TAFT. I think the Senator from Georgia would be very anxious to have that bill included, if the Senator from Illinois is willing to do so.

Mr. LUCAS. I include Calendar No. 838.

Mr. GURNEY. Then I have no objection.

Mr. KILGORE. Mr. President, will not the Senator include Calendar No. 570, Senate bill 1165? The Senator from Idaho [Mr. MILLER], who is not now present, asked me to see if that bill could not be included.

Mr. MORSE. Mr. President, will not the majority leader repeat the calendar numbers to which he referred?

Mr. LUCAS. Beginning with Calendar No. 853, and including Calendar Nos. 496, 671, 735, 832, 833, 849, and 838.

Mr. WILEY. At what number will we begin the call of the calendar?

Mr. LUCAS. Beginning with No. 853. Calendar Nos. 735, 832, 833, and 849 were included under the unanimous-consent agreement heretofore entered into with respect to the call of the calendar.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Did the Senator include Calendar No. 693, House bill 3851? That was brought up for consideration at the last call of the calendar.

Mr. LUCAS. No, I did not.

The PRESIDING OFFICER. Could it be included?

Mr. LUCAS. What is the bill?

The PRESIDING OFFICER. House bill 3851, a bill to amend Public Law 289, Eightieth Congress, with respect to surplus airport property, to which objection was made at the last call of the calendar, but I think the objection has been withdrawn.

Mr. LUCAS. Mr. President, we always get into trouble when we start adding bills. I have just advised the Senator from West Virginia that I could not include Calendar No. 570, because it is highly controversial.

Mr. KILGORE. I do not even know the contents of the bill. I made the request at the instance of the Senator from Idaho [Mr. MILLER].

The PRESIDING OFFICER. Is it not possible that by unanimous consent the bill to which the Chair has referred could be called up at the time the calendar is called?

Mr. LUCAS. It could be, of course. Any of the bills on the calendar could be called up if unanimous consent were obtained to return to them.

Mr. President, I renew my request.

The PRESIDING OFFICER. Hearing no objection, the unanimous-consent request is granted.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment.

for the fiscal year ending June 30, 1950, and for other purposes.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 94, after line 4, to insert a new section 629, as follows:

SEC. 629. (a) Appropriations for the agencies of the National Military Establishment for the current fiscal year, available for pay and allowances of military personnel, shall be available for transfer, in the discretion of the Secretary of Defense, to appropriations available for the employment of civilian physicians, dentists, and nurses, for the employment of such additional civilian physicians, dentists, and nurses as may be required for the direct care and treatment of patients: *Provided*, That the total number of civilian and military physicians, dentists, and nurses shall not exceed the respective legal authorizations for military personnel in these categories, based on military strengths for which funds are appropriated to the Departments of the Army, Navy, and Air Force for the current fiscal year.

(b) Any civilian physician, dentist, or nurse employed by the Department of the Army, the Department of the Navy, or the Department of the Air Force during the current fiscal year shall be appointed in accordance with civil-service laws and rules but without regard to the Classification Act of 1923, as amended, or the provisions of section 607 (g) of the Federal Employees' Pay Act of 1945, as amended. Any such civilian physician, dentist, or nurse shall be appointed in one of the grades established by section 7 (a) of the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, and the compensation of any person so appointed shall be determined in accordance with the rates of compensation for such grade established by such section. The determination of the grade in which any such persons shall be appointed initially, and any promotion of any such person from grade to grade or within grade, shall be made by the appointing or promoting authority in accordance with the regulations applicable to persons appointed or promoted in the Department of Medicine and Surgery in the Veterans' Administration; except that any nurse initially appointed pursuant to the provisions of this section shall be appointed only in the associate or junior grades established for the nursing service by section 7 (a) of such act of January 3, 1946. No person appointed pursuant to the provisions of this section shall be entitled to receive the allowance for being rated as a medical or surgical specialist provided for by section 8 (d) of such act of January 3, 1946.

The amendment was agreed to.

The next amendment was, on page 95, after line 21, to insert a new section 630, as follows:

SEC. 630. No part of the appropriations made in this act shall be available for contracts with any person, firm, or corporation to make or cause to be made with a stop watch or other time-measuring device a time study of any job of any employee; no part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person or persons having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums

or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant; and no moneys herein appropriated for the Naval Establishment or made available therefor shall be used or expended under contracts hereafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article, or articles that at the time of the proposed repair, purchase, or acquirement can be repaired, manufactured, or produced in each or any of the Government naval shipyards or arsenals of the United States, when time and facilities permit, and when, in the judgment of the Secretary, such repair, purchase, acquirement, or production would not involve an appreciable increase in cost to the Government, except when the repair, purchase, or acquirement, by or from any private contractor, would, in the opinion of the Secretary, be advantageous to the national defense.

Mr. LONG. Mr. President, in the amendment just stated, I move to strike out in line 9, page 96, the words "nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant."

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as there is a bill on the calendar which proposes a program for issuing awards, and inasmuch as the Senate has not yet passed on it, it seems to me it is not unreasonable to delete from the bill the words suggested, awaiting the time when we can consider the matter on its merits. So, speaking for the committee, I have no objection to the amendment suggested by the Senator from Louisiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I desire to offer a clarifying amendment on page 96, line 1, after the word "employee" and before the semicolon, to insert the words "of the Department of Defense." If agreed to, the amendment would limit this section to employees in the Department of Defense.

Mr. GURNEY. Mr. President, in connection with that amendment, I wish the Senator from Oklahoma would consider also the necessity of making a similar amendment on line 5. I believe, as does the Senator from Oklahoma, that the amendment should be narrowed to the Military Establishment, and that therefore we should strike out the words "United States Government" in line 5, and insert in lieu thereof "The Department of Defense."

Mr. THOMAS of Oklahoma. Mr. President, there is no intent and has been no intent to make the language apply to anything outside the defense program. I have no objection to the amendment suggested by the Senator from South Dakota.

Mr. GURNEY. If the Senator also includes in his amendment the proposal to strike out the words "United States Government" and insert in lieu thereof

"The Department of Defense," I shall be glad to support his amendment in line 1.

Mr. THOMAS of Oklahoma. The two amendments have the same purpose, and I am glad to accept the amendment suggested by the Senator from South Dakota as part of my amendment.

The PRESIDING OFFICER. The amendment, as now offered, will be stated.

The LEGISLATIVE CLERK. In the committee on page 96, line 1, after the word "employee" and before the semicolon, it is proposed to insert the words "of the Department of Defense"; and in the same committee amendment on page 96, line 5, it is proposed to strike out the words "United States Government" and insert in lieu thereof "of the Department of Defense."

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Without objection, the amendments to the committee amendment are agreed to.

Mr. FLANDERS. Mr. President, I raise objection to the whole committee amendment. The first arrival on the stage of Federal legislation of this anti-stop-watch provision was a good generation ago in its application to Government work in navy yards. That was in a period when time study was a new thing, and organized labor was very much opposed to it. Since that time, time-study work has become the main basis of the increase in efficiency in the manufacturing and distributing business on which the ultimate raising of the standard of living of the workingmen depends. Time study has been the means by which the standard of living in this country has been raised. The worker does not work longer hours, he works shorter hours as a result of it. The worker does not work harder, he works easier, because the means for handling materials and handling his work and the manipulation of his machine is made easier year by year than it was before. The worker is dependent on time study for the improvement in his material conditions. There is absolutely no excuse now for ruling it out of Government work anywhere at any time. It is the workmen's friend and not his enemy.

The situation in the plant in Vermont with which I was connected until I came to the Senate is interesting. There, in spite of being frowned upon by the national organization to which the union belongs, the union in that plant insisted on writing into its contract with the company incentive pay based on time study. The insistence came from the men, and not from the company, and that was because they were satisfied that they could properly earn more wages by that means than the company could afford to pay them otherwise.

Mr. President, in my view the whole of section 630 is not in the public interest, and I hope the Members of the Senate will vote against it.

Mr. TAFT. Mr. President, I raise the point of order that the committee amendment, the whole of section 630, is not in order, as being legislation on an appropriation bill.

The PRESIDING OFFICER. The Senator makes the point of order against the entire section 630.

Mr. TAFT. Yes; as being legislation.

The PRESIDING OFFICER. The point of order is made to the entire section. There are some provisions in the section which properly are not legislation on an appropriation. The Senator makes the point of order against the entire section.

Mr. TAFT. It seems to me, Mr. President, it is inseparable. I do not quite see how it can be separated.

The PRESIDING OFFICER. In view of recent precedents established by the Senate the point of order will have to be sustained.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment in proper order, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 94, after line 4, it is proposed to insert a new section as follows:

SEC. 630. No part of the appropriations made in this act shall be available for contracts with any person, firm, or corporation to make or cause to be made with a stop watch or other time-measuring device a time study of any job of any employee; no part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person or persons having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant; and no moneys herein appropriated for the Naval Establishment or made available therefor shall be used or expended under contracts hereafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article, or articles that at the time of the proposed repair, purchase, or acquirement can be repaired, manufactured, or produced in each or any of the Government naval shipyards or arsenals of the United States, when time and facilities permit, and when, in the judgment of the Secretary, such repair, purchase, acquirement, or production would not involve an appreciable increase in cost to the Government, except when the repair, purchase, or acquirement, by or from any private contractor, would, in the opinion of the Secretary, be advantageous to the national defense.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. Before the amendment just offered can be considered, is it not necessary to suspend the rule in order to make the new section available for consideration?

The PRESIDING OFFICER. As the Chair understood the amendment, as it was read, it is identical with the provision in the bill, and a point of order is raised which the Chair feels compelled to sustain. Therefore, it would be necessary to move to suspend the rule in order to have the amendment considered.

Mr. THOMAS of Oklahoma. The rule would have to be suspended since a point of order has been made against the amendment, and a two-thirds vote is required to suspend the rule. The original amendment, section 630, was amended in three particulars. It was amended by an amendment which I proposed limiting its provisions to employees of the Department of Defense, by an amendment proposed by the Senator from South Dakota [Mr. GURNEX] proposing the same limitation in another line, and it was amended by the Senator from Louisiana [Mr. LONG] by striking out certain lines. If the Senate votes to suspend the rule, then the original section would be before the Senate, at which time it would be necessary to amend the section which will come before the Senate, to conform with the amended section against which a point of order has been made.

The PRESIDING OFFICER. If the Senator prefers, he can modify his amendment after the rule is suspended, if it shall be. Then amendments to the amendment would be in order.

Mr. THOMAS of Oklahoma. That was the point I was trying to make. I am sure that is correct. We must now suspend the rule. If the Senate refuses to suspend the rule, the matter is out. But if the Senate agrees to suspend the rule, then the section comes before the Senate. At that time I shall see to it that the Senate considers the amendment which I submitted, the amendment which was submitted by the Senator from South Dakota [Mr. GURNEX] and the amendment which was submitted by the Senator from Louisiana [Mr. LONG], all of which were adopted to the original amendment. Is that a correct statement of the situation?

The PRESIDING OFFICER. The Senator is correct. The Chair will advise the Senator from Oklahoma that the Parliamentarian informs the present occupant of the chair that if the rule is suspended so that the amendment can be considered, the Senator from Oklahoma may modify his amendment at that time.

Mr. THOMAS of Oklahoma. I think the situation is clarified.

Mr. GURNEX. Mr. President, could not the Senator from Oklahoma at this time, in offering his amendment, which has just been read by the clerk, modify the amendment and present it to the Senate in modified form?

Mr. THOMAS of Oklahoma. I am of the opinion that I cannot modify it at this time. In that event it would not be the same amendment with respect to which I served notice.

Mr. TAFT. Mr. President, I now make the same point of order against the amendment of the Senator from Oklahoma that I made against the committee amendment.

The PRESIDING OFFICER. The point of order made against the amendment offered by the Senator from Oklahoma is sustained.

Does the Senator from Oklahoma now wish to move to suspend the rule?

Mr. THOMAS of Oklahoma. I gave notice of my intention to move to suspend the rule.

The PRESIDING OFFICER. Notice has been given.

Mr. THOMAS of Oklahoma. I now move that paragraph 4 of rule XVI be suspended in order that my amendment may be considered by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma [Mr. THOMAS].

Mr. TAFT. On that question, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, for the purpose of the RECORD I wish to make a statement concerning the pending amendment. The Senate is very familiar with the situation involved, because every year—I know every year I have been in the House or the Senate—this provision has been added to appropriation bills, particularly in relation to the Naval Establishment. Every year an attempt is made to knock out the provision. So far, in many Congresses extending back as far as 1916, such attempts have been unsuccessful.

There is a great deal of merit in this provision. The Navy has worked satisfactorily with it for many years. There has long been a prohibition against applying the so-called stop-watch technique to Navy workmen. I know of no statement on the part of any branch of the Military Establishment—either the Army, the Navy, or the Air Force—objecting to this provision. I do not see any reason why we should change it now.

In the second place, there is good reason for it. The workers do not have the privilege of striking against the Government. In all cases in which time study has been in operation it has been abused. If the Army or the Navy should ask for this system, or if the Department of Defense should ask for it, and show good reason why the restriction should not be in the law, there might be some reason for us to discuss it; but I see no reason to discuss it at this time.

Mr. President, I hope the rule can be suspended, so that the long-time practice, which has been so satisfactory and which has resulted in such great efficiency in the production record of those who work for the Government in navy yards and military establishments, may not be impaired. I think it would have a serious psychological effect on the production record. I hope the Senate will suspend the rule, in order that we may place in the bill a provision which has been in every Naval Establishment bill since 1916, and which has worked very satisfactorily.

Mr. FLANDERS. Mr. President, granting the point of view expressed by the Senators from Washington as to the experience of the Navy, I submit that there is no experience of the Navy whatsoever which warrants the extension of the same principle to the Army and the Air Force. I do not understand this endeavor to extend it to the Army and the Air Force, because on work done for the Army and for the Air Force, and work done by the Army in its arsenals, time study has been in use for many years. Why cut it off now? What is behind

this effort? I should like to inquire whether this amendment was inserted at the request of the armed services. Where did it come from? Echo answers "Where?"

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MAGNUSON. I can answer that question. It was put in because there has been a feeling that the labor practice of the Government in its military establishments where civilians are employed should be of a uniform nature, and that the same rule should apply to them all. That is all that is attempted by this amendment.

Mr. FLANDERS. Mr. President, I could bring witnesses to a hearing to show that time study has been in very successful use in Army arsenals. It has been successful and satisfactory both to the Government and to the employees. I certainly will not by my vote or by my voice in any way seek to extend the Navy practice to other branches of the Government, as is attempted at this time. I doubt whether the armed services themselves asked for this amendment.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. FLANDERS. I yield.

Mr. LONG. Was the Senator present at the time conferences were held by a subcommittee of the Post Office and Civil Service Committee on ways and means of improving efficiency in the Federal service, when Mr. Sorenson, of the Army, explained that in some cases, by time studies, an increase in production of as much as one-third was brought about? The studies were for the purpose of determining how best to increase production and reduce costs. In many cases the employees have been most cooperative in this program.

Did the Senator hear further testimony along that line, which showed that in some cases a study of how bright a light should be to obtain the best production resulted in the workers producing a great deal more? In the last analysis, the result was arrived at because someone was studying how to get better production from a plant.

Mr. FLANDERS. I remember very well indeed the testimony referred to by the Senator from Louisiana, and I am glad to have him refresh my memory on it. It leads to one further thought, and that is that in the minds of those who have had no experience with time study and are not familiar with it in their business, and have not been in day-to-day contact with it, there arises a very fallacious notion as to what time study is.

The most effective time study is not a matter of speeding up. "Speed up" is not the name for modern scientific time study. It consists almost entirely of making work easier, and training the operator to make his work as easy as possible. The result is higher output with less physical stress and strain. That has been the final result of the time study which has been going on in American industry for the past generation. It has resulted in easier work, higher production, and higher wages. Now we are asked to throw all that away, and

apply this restriction to two new branches of the Government which have never had to work under it before.

I trust that the Senate will sustain the point of order, and that we shall not take this backward step.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. SALTONSTALL. So far as I am concerned, this amendment was put in for the Naval Establishment on my motion. I did it because for 2 years I was the chairman of the subcommittee of the Appropriations Committee handling Navy appropriations.

As the Senator from Washington [Mr. MAGNUSON] has said, this restriction has been in Navy appropriation bills since 1916. I have no particular desire to see it extended. If the rule is suspended, I shall be perfectly willing to have it confined to the Naval Establishment, which has been working under this provision since 1916.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MAGNUSON. Of course the Senator from Vermont is correct. The amendment of the Senator from Oklahoma would extend this principle to all departments of defense. But if the rule is not suspended and the amendment is not adopted, it means that the Navy practice, which I contend has been very satisfactory so far as the Navy, the workers, and everyone else involved is concerned, will not be available to the Navy. In effect, we shall be repealing a practice which has been in effect since 1916. I do not think that is fair to the Navy. The Navy has no objection whatsoever to this restriction. If the other two branches have some objection to it, surely the Navy should be allowed to continue a practice which has been found satisfactory since 1916.

Mr. TAFT. Mr. President, I merely wish to say that if it has been necessary to put this provision into the appropriation bills for 16 years, the time has come to stop it. If this provision is to be made applicable to present-day conditions, then it seems to me it should be done by independent legislative enactment; it should not come up every year on an appropriation bill, without consideration, without opportunity for the hearings which should be given to straight legislation.

So it seems to me the motion to suspend the rule should be rejected.

Mr. THOMAS of Oklahoma. Mr. President, the Appropriations Committee is not a legislative committee; but the records will show that more legislation comes from the Appropriations Committees of the House and Senate than from all other committees of the Congress.

The Navy appropriation bill for years has carried this provision. Since we now have concentrated our Military Establishment under one head, we no longer have a Navy appropriation bill as such. This bill is both a Navy appropriation bill, an Army appropriation bill, and an Air Force appropriation bill. So, in order to give the Navy what it has had

all these years, it is necessary to include the limitation in this bill.

Also let me say that I do not see how there can be any real objection to this amendment, because it applies mostly, so far as the Army and Air Force are concerned, to garages, repair shops, and big military depots. There is one in my State, a very large institution known as Tinker Field. It is just a big airplane garage; that is all it really is. Planes are brought there and are torn down and are tested. If a part is found to be defective, it is thrown out, and a new part is substituted. Of course, a stop watch cannot be used on such activities. Stop watches are used on mass production. There may be some mass production in the Navy, for the production of precision instruments, and similar items; but the situation in the Army and the Air Force does not lend itself to the application of mass production. So, in my opinion, this amendment would do no harm if it is included in this bill.

Of course, if the rule is not suspended, this provision will go out of the bill; but then the Navy will not have all it has had all these years.

Mr. LONG. There was a question about how bright a light should be in order to permit of the most efficient work. The only way to determine that question was by timing or checking the men's production under, first, a dim light, and then, later, a bright light.

Does the Senator see anything wrong or harmful in timing, under such circumstances, to see how much production is obtained when men are working under bright lights, as contrasted with the production when they are working under dim lights.

Mr. THOMAS of Oklahoma. I see nothing objectionable to that.

Mr. LONG. Yet that would be illegal, under this provision, for the Army, the Navy, and the Air Force, to make such studies.

Mr. THOMAS of Oklahoma. Mr. President, let me say that question arose as to the source of this amendment. I am glad to state that it was suggested by Mr. N. P. Alifas, president and district representative of District Lodge 44, National Association of Machinists. Let me state who he is. He has been around Washington for a long time. I know he was here before 1934, because in 1934 he came to me with a little, simple amendment about 2 inches long. He said it would apply only to arsenals; that is all he intended it to apply to. The amendment proposed the establishment of a 40-hour week.

I thought it would be a good idea to give it a test, so I submitted his amendment to the legislative bill which at that time was being handled by the Senator from Maryland [Mr. TYDINGS]. The Senator from Maryland did not know exactly what the amendment meant, and I did not know too much about it, either, in view of what it has turned out to be. But I asked the Senator from Maryland to accept the amendment and take it to conference; and he did so. In the conference, it was accepted. That little provision of law, adopted to the 1934 bill, has become the cornerstone of the entire working movement in the United States,

although at that time it was intended, as I thought, to apply only to the Navy. Later it was applied to the entire Naval Establishment, and later the principle has been made applicable to all Federal employees, even those in the Civil Service. Not only that but even the private industries are now working under the 40-hour week, and only recently the railroad brotherhoods made contracts with the railroads of the United States, and the 40-hour week is the basis of those contracts.

When Mr. Alifas suggested that amendment, I do not believe he knew its future. Certainly I did not. But I have no apology to make for offering it, back in 1934.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAGNUSON. I wish to associate myself with what the Senator has said.

At this point I should like to read from an article by Douglas Smith, appearing in the Scripps-Howard newspapers. The article says in part:

Mr. Alifas is credited by Appropriations Committee Chairman ELMER THOMAS, Democrat, Oklahoma, with being the author of the original 40-hour-week law, in 1934.

An amendment to a Government appropriations bill that year written by Mr. Alifas and offered by Senator THOMAS, "had more far-reaching effect than the sponsor dreamed of when it was introduced," the Senator said. The amendment provided for the 40-hour week only in certain Government arsenals, he recalled, but it led to the extension of the 40-hour week to the entire Government and to practically all American industry.

Mr. THOMAS of Oklahoma. Mr. President, I have not seen that article, but my recollection coincides with the statements contained in the article, as read by the Senator from Washington.

Mr. LONG. Mr. President, I believe I should address myself briefly to this subject, because as chairman of a subcommittee on classification in the Federal service, I made substantial study of this subject. We have been attempting to obtain more efficiency in the Government. We proposed bonuses and pay raises for supervisors and employers who could reduce the costs of the Government's work. That was one of the recommendations of the Hoover Commission.

Title X of the classification bill would permit us to reward persons whose efforts resulted in saving the Government money.

So far as the stop-watch proposal is concerned, I do not believe it would be particularly harmful if applied only to the Navy as it has been applied in the past; but I would dislike seeing it applied beyond that point. I say that because with good management and good production methods by our workers, it is possible for either the Army, the Navy, or anyone else to get good production from labor. Let me give an example of that. I know of two men who are running a small plant producing Venetian blinds. One man was very good at organizing the plant; although he was usually a salesman, yet at one time while

the other man was away for a while, the man who usually was a salesman reorganized the plant. He found where the bottlenecks were; and as a result of his studies and reorganization, he increased the production of the plant by 50 percent, but without causing anyone to work harder than he had worked before. The employees were even better satisfied than they formerly were; and because of the increased production the employer was able to give the employees raises in pay. However, all that would have been outlawed under the proposal we are now discussing insofar as it would involve the use of a stop watch and a time study.

I have been told by Mr. Sorenson, of the Army, that in their studies they have sometimes, by studying how to save time and expense, been able to cut costs in half. Witnesses before our subcommittee have stated that in many cases, simply by studying how to obtain more production, greater and greater efficiency has resulted. For instance, a group was making an efficiency study, and in the course of the study the group went to one plant and made tests on the brightness of the lights used. Those who made the tests found that by making the lights brighter and brighter, they obtained more and more production. Then they began testing what would happen if the lights were made dimmer. They found that although the lights next were made dimmer, and subsequently even dimmer, and so forth, production continued to increase and increase. Finally they found that the brightness of the lights had nothing at all to do with the amount of production. The mere fact that the employees knew someone was taking an interest in the work they were doing was causing them to do much more work than they previously had done.

Certainly that is a good indication of the fact that if the Government makes studies of how to obtain better production, better production will be obtained in many cases. I am somewhat fearful we may be passing a law against efficiency.

Mr. MAGNUSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield.

Mr. MAGNUSON. There is, of course, nothing to prevent the Government from making production time studies now. The proposed prohibition is a specific one. It relates to the old stop-watch technique. What the Senator says is true, but what does the Senator think the reason has been for the amendment being in the Navy appropriation bills for over 30 years? The reason for it is that, prior to the prohibition, there was always some naval officer—and I know them well—in navy yards who abused the privilege of firing men. Those officers used the stop watch in order to find an excuse for firing a man who might come to work not feeling well, or whose work did not come up to the standard of the man working beside him. It was an abuse of the method. The Navy has been getting along with this prohibition for some 30 years past. The prohibition is de-

signed to protect the worker from abuse. Men who work for the Government do not have recourse to the strike. There is always some Regular officer of the Navy or of the Army who wants to employ the military technique on a civilian worker. If the prohibition is removed there will be more trouble in getting production in the navy yards. The prohibition is to protect the worker from abuse. No one can abuse a civilian more than someone wearing brass, who thinks he knows how to get more work out of him.

Mr. LONG. I may say to the Senator, with all due deference to the Army, the Navy, and the Air Force, that during the time I spent in the Navy I had more rest than at any other time in my entire life. [Laughter.]

Mr. MAGNUSON. If the Senator will yield, I may say the Senator was not around where I was in the Navy, or he would not have had any rest. But we are talking about civilian employees, who have no recourse. They cannot strike. The best they can do is to have a grievance committee call upon some admiral in the Navy or some captain who is running the Army.

Mr. LONG. I realize the problem. I certainly am personally opposed to any kind of stretch-out or speed-up system or the overworking of anyone. I believe we should take every possible precaution to see that there is no excess overtime, that no one is made to work too hard, and that we should listen to representatives of the employees, who complain they are working too hard, anyway. I do not see that there is any great immediate danger. I may say that although I do not believe in outlawing this business of standing by with a stop watch, forcing a man to do more and more work, I nevertheless, would vote against it, if that is what it amounts to. However, this amendment goes beyond the stop watch. It also says, "or other time-measuring device a time study of any job of any such employee between the starting and completion thereof." It goes beyond any matter of the stop watch. It would be impossible even to check up on a man's daily production. It is my belief we can promote greater efficiency over a period of time if we give the Army, the Navy, and the Air Force a chance to make studies. If it is desired to confine this to the Navy, I should be willing to go along. But so far as broadening it to tell the Army they cannot conduct time studies in the interest of greater efficiency, I would point out that I have had no complaint from any worker either in the Army or in the Air Force. Unless someone can prove that time studies are being abused, I do not feel that we should interfere.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Oklahoma to suspend paragraph 4 of rule XVI, for the purpose of offering an amendment to which the Chair previously sustained a point of order that it was legislation.

Mr. TAFT. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Cain	Humphrey	Maybank
Chapman	Ives	Morse
Connally	Johnson, Colo.	Robertson
Cordon	Johnson, Tex.	Saltonstall
Donnell	Kerr	Sparkman
Douglas	Kilgore	Taft
Flanders	Knowland	Thomas, Okla.
George	Long	Thomas, Utah
Gillette	Lucas	Vandenberg
Gurney	McClellan	Wherry
Hill	McFarland	Wiley
Holland	McKellar	Williams

The VICE PRESIDENT. A quorum is not present. The Secretary will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators.

Mr. BYRD, Mr. HAYDEN, Mr. HENDRICKSON, Mr. MAGNUSON, Mr. MILLIKIN, Mr. MUNDT, Mr. MURRAY, Mr. SCHOEPPPEL, Mrs. SMITH of Maine, Mr. STENNIS, and Mr. TAYLOR entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is not present.

Mr. LUCAS. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

Mr. WHERRY. Mr. President—

The VICE PRESIDENT. The motion is not debatable. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

Mr. WHERRY. Mr. President, I want the RECORD to show that I was not intending to debate the motion. I thought while I was on my feet I might be recognized. I was going to propose a unanimous-consent request before the vote was taken, to see whether it would be accepted without having a further quorum call.

The VICE PRESIDENT. The point of no quorum having been made, no debate or business is in order while that status is in existence.

The Sergeant at Arms has been instructed to notify absent Senators to appear.

After a little delay, Mr. WITHERS, Mr. FREAR, Mr. YOUNG, Mr. WATKINS, Mr. MALONE, Mr. PEPPER, Mr. ECTON, Mr. HOEY, and Mr. KEM entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

Mr. THOMAS of Oklahoma. Mr. President, if I may have the attention of the Senate for a moment, I shall submit for the consideration of the Senate what I propose.

If the rule shall be suspended, I shall suggest and propose that the section be modified as follows, on the first line on page 96, after the word "employee" and before the semicolon, strike out the words "of the Department of Defense" and insert "within the Department of the Navy", and on line 5 strike out the words "United States Government" and insert "the Department of the Navy." The Senate has already agreed to the amendment offered by the Senator from Louisiana [Mr. LONG] to strike out cer-

tain words beginning on line 9 and ending on line 14.

Mr. President, that will limit the force of the amendment to the Navy, to make the law the same as it has been for all these years, in the event it is agreeable to the Senate.

Mr. MAYBANK. Mr. President, this amendment was proposed by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, following the precedent in many naval appropriation bills which have been before the Senate. It was not our intention to have the amendment apply other than to the navy yards, as in the case of the usual naval amendment which has been adopted by the Senate on many occasions.

Mr. SALTONSTALL. Mr. President, that is my understanding.

The VICE PRESIDENT. The question is on agreeing to the motion to suspend the rules. The yeas and nays have been ordered, and the roll will be called.

The legislative clerk proceeded to call the roll, and Mr. BYRD voted in the negative when his name was called.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Both Senators from Illinois have parliamentary inquiries to propound. The senior Senator from Illinois will propound his inquiry first.

Mr. LUCAS. Did I understand the Chair correctly to say that the yeas and nays had been ordered?

The VICE PRESIDENT. They were previously ordered, before the quorum call. Does the junior Senator from Illinois desire to propound an inquiry?

Mr. DOUGLAS. I was unable to hear the colloquy between my colleague and the Vice President.

The VICE PRESIDENT. The senior Senator from Illinois asked if the yeas and nays had been previously ordered, and the Chair replied in the affirmative.

Mr. DOUGLAS. What is the motion before the Senate?

The VICE PRESIDENT. The motion is on the part of the Senator from Oklahoma [Mr. THOMAS] to suspend the rule to make in order the amendment which was declared out of order. The clerk will proceed with the roll call.

The legislative clerk resumed and concluded the call of the roll.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senators from Rhode Island [Mr. GREEN and Mr. LEAHY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Pennsylvania [Mr. MYERS], and the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS] are absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Connecticut [Mr. McMAHON], the Senator from Idaho [Mr. MILLER], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

The Senator from Louisiana [Mr. ELLENDER] is absent on official business.

The Senator from North Carolina [Mr. GRAHAM] is absent by leave of the Senate on public business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from West Virginia [Mr. NEELY] is absent on official business.

The Senator from Connecticut [Mr. McMAHON] and the Senator from Pennsylvania [Mr. MYERS] are paired on this vote with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senators from Connecticut and Pennsylvania would vote "yea," and the Senator from Arkansas would vote "nay."

The Senator from Rhode Island [Mr. GREEN] and the Senator from West Virginia [Mr. NEELY] are paired on this vote with the Senator from Iowa [Mr. HICKENLOOPER]. If present and voting, the Senators from Rhode Island and West Virginia would vote "yea," and the Senator from Iowa would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New York [Mr. DULLES], the Senator from Michigan [Mr. FERGUSON], the Senator from Massachusetts [Mr. LODGE], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate. If present and voting, the Senator from Michigan [Mr. FERGUSON] would vote "nay."

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNER], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official business.

The Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] are absent by leave of the Senate, and they have a general pair.

The Senator from North Dakota [Mr. LANGER], the Senator from Kansas [Mr. REED], the Senator from New Jersey [Mr. SMITH], and the Senator from Wisconsin [Mr. MCCARTHY] are detained on official business.

The Senator from Iowa [Mr. HICKENLOOPER], who is detained on official business, is paired with the Senator from Rhode Island [Mr. GREEN] and the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Iowa would vote "nay," and the Senator from West Virginia and the Senator from Rhode Island would each vote "yea."

The yeas and nays resulted—yeas 23, nays 33, as follows:

YEAS—23

Cordon	Lucas	Robertson
Hayden	McFarland	Saltonstall
Hill	McKellar	Sparkman
Humphrey	Magnuson	Taylor
Ives	Maybank	Thomas, Okla.
Johnson, Colo.	Morse	Thomas, Utah
Kilgore	Murray	Withers
Knowland	Pepper	

NAYS—33

Byrd	Gurney	Mundt
Cain	Hendrickson	Schoeppel
Chapman	Hoey	Smith, Maine
Connally	Holland	Stennis
Donnell	Johnson, Tex.	Taft
Douglas	Kem	Vandenberg
Eaton	Kerr	Watkins
Flanders	Long	Wherry
Frear	McClellan	Wiley
George	Malone	Williams
Gillette	Millikin	Young

NOT VOTING—40

Aiken	Fulbright	Martin
Anderson	Graham	Miller
Baldwin	Green	Myers
Brewster	Hickenlooper	Neely
Bricker	Hunt	O'Connor
Bridges	Jenner	O'Mahoney
Butler	Johnston, S. C.	Reed
Capehart	Kefauver	Russell
Chavez	Langer	Smith, N. J.
Downey	Leahy	Thye
Dulles	Lodge	Tobey
Eastland	McCarran	Tydings
Ellender	McCarthy	
Ferguson	McMahon	

The VICE PRESIDENT. On this question the yeas are 23, the nays 33. Less than two-thirds of the Senators present having voted in the affirmative, the motion is rejected.

The Secretary will state the next committee amendment.

The next amendment was, on page 97, after line 4, to insert a new section 631, as follows:

SEC. 631. No part of any appropriation contained in this act shall be used directly or indirectly, except for temporary employment in case of emergency, for the payment of any civilian for services rendered by him on the Canal Zone while occupying a skilled, technical, clerical, administrative, executive, or supervisory position unless such person is a citizen of the United States of America or of the Republic of Panama: *Provided, however,* (1) That, notwithstanding the provision in the act approved August 11, 1939 (53 Stat. 1409), limiting employment in the above-mentioned positions to citizens of the United States from and after the date of approval of said act, citizens of Panama may be employed in such positions; (2) that at no time shall the number of Panamanian citizens employed in the above-mentioned positions exceed the number of citizens of the United States so employed, if United States citizens are available in continental United States or on the Canal Zone; (3) that nothing in this act shall prohibit the continued employment of any person who shall have rendered 15 or more years of faithful and honorable service on the Canal Zone; (4) that in the selection of personnel for skilled, technical, administrative, clerical, supervisory, or executive positions, the controlling factors in filling these positions shall be efficiency, experience, training, and education; (5) that all citizens of Panama and the United States rendering skilled, technical, clerical, administrative, executive, or supervisory service on the Canal Zone under the terms of this act (a) shall normally be employed not more than 40 hours per week, (b) may receive as compensation equal rates of pay based upon rates paid for similar employment in continental United States plus 25 percent; (6) this entire section shall apply only to persons employed in skilled, technical, clerical, administrative, executive, or supervisory positions on the Canal Zone directly or indirectly by any branch of the United States Government or by any corporation or company whose stock is owned wholly or in part by the United States Government: *Provided further,* That the President may suspend from time to time in whole or in part com-

pliance with this section in time of war or national emergency if he should deem such course to be in the public interest.

The amendment was agreed to.

The next amendment was, on page 98, after line 20, to insert a new section 632, as follows:

SEC. 632. The powers and duties vested in the Secretaries of the Army and the Navy with respect to civil-service employees of their departments by section 3 of the act of December 17, 1942 (56 Stat. 1053), shall, during the current fiscal year, be vested also in the Secretary of Defense with respect to civil-service employees of all agencies of the National Military Establishment other than the Departments of the Army, Navy, and Air Force, and in the Secretary of the Air Force with respect to civil-service employees of the Department of the Air Force. The provisions of section 6 of the act of August 24, 1912 (37 Stat. 555), shall not apply to any civil-service employees with regard to whom the powers granted in this section are exercised: *Provided,* That nothing in this section shall repeal or modify any existing powers and duties of the Secretary of Defense, the Secretary of the Navy, the Secretary of the Army or the Secretary of the Air Force under section 3 of the act of December 17, 1942 (56 Stat. 1053).

The amendment was agreed to.

The next amendment was, on page 99, after line 14, to insert a new section 633, as follows:

SEC. 633. No funds herein appropriated shall be available to pay for the services or support of personnel enlisted after enactment of this appropriation act under the provisions of section 4 (g) of the Selective Service Act of 1948 (Public Law 759, 80th Cong.).

The amendment was agreed to.

MR. LUCAS. Mr. President, I hope Senators will kindly stay pretty close to the Senate Chamber, because there may be other votes taken before we finish our work for today. I have agreed that the Senate finish action on amendments in the bill this evening with the exception of the controversial amendment which is to be offered by the Senator from Arkansas [Mr. McCLELLAN] on Monday next. I hope it will not be necessary to send the Sergeant at Arms after some of my good brothers in the Senate.

The VICE PRESIDENT. The Secretary will state the next committee amendment.

The next amendment was, on page 99, line 20, to change the section number from "629" to "634."

The amendment was agreed to.

MR. HUMPHREY. Mr. President, I offer an amendment on page 99, between lines 19 and 20.

The VICE PRESIDENT. That is an individual floor amendment and is not in order until the committee amendments have been acted upon.

The Secretary will state the next committee amendment.

The next amendment was, under the heading "Title VII—Reduction in appropriations," on page 99, after line 23, to strike out section 701, as follows:

SEC. 701. Amounts available to the Department of the Navy from appropriations and other funds are hereby reduced in the sums hereinafter set forth, such sums to be car-

ried to the surplus fund and covered into the Treasury upon approval of this act:

Repair facilities, Navy, \$21,448,439;
Naval procurement fund, \$150,000,000 to be derived from amounts advanced to such fund for the purpose of settlement of war contracts under the Contract Settlement Act of 1944.

And in lieu thereof to insert the following:

SEC. 701. Amounts available from appropriations and other funds, and contract authority, are hereby reduced in the sums hereinafter set forth, such sums (except contract authority) to be carried to the surplus fund and covered into the Treasury immediately upon the approval of this act except as otherwise indicated:

DEPARTMENT OF THE NAVY

Repair facilities, Navy, \$21,448,439;
Naval procurement fund, \$150,000,000 to be derived from amounts advanced to such fund for the purpose of settlement of war contracts under the Contract Settlement Act of 1944.

TREASURY DEPARTMENT

Strategic and critical materials (unfinanced contract authority), \$275,000,000. (Second Deficiency Appropriation Act, 1949; Treasury and Post Office Departments Appropriation Act, 1950.)

The amendment was agreed to.

The next amendment was, on page 101, after line 2, to insert a new section 702, as follows:

SEC. 702. The aggregate amount appropriated by the various appropriation items contained in titles II, III, IV, and V of this act is hereby reduced by \$433,968,611. The Secretary of Defense is authorized and directed to determine and to certify to the Secretary of the Treasury, the Director of the Bureau of the Budget, and the Committees on Appropriations of the Senate and the House of Representatives, on or before January 1, 1950, which of such appropriation items shall be reduced and the amount that each shall be reduced in order to effectuate such reduction of \$433,968,611. Each appropriation item specified by the Secretary of Defense in his certification is hereby reduced by the amount of reduction specified by him with respect to such item in such certification; and the Secretary of the Treasury is authorized and directed to make the necessary entries on the books of the Treasury to reflect such reductions. In determining which appropriation items shall be reduced under the authority of this section and the amount of reduction in any such item, the Secretary of Defense shall be guided solely by the consideration that the aggregate amount appropriated to the National Military Establishment by this act should be available for expenditure for such purposes as will afford the utmost national security which can be obtained by the expenditure of such amount.

The amendment was agreed to.

The VICE PRESIDENT. There is one committee amendment on page 14 which was passed over earlier in the day, in which the Senator from Wisconsin is interested.

MR. WILEY. Mr. President, I offer an amendment for myself, the Senator from Vermont [Mr. AIKEN], the Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oregon [Mr. MORSE], the Senator from Minnesota [Mr. THYE], and the Senator from Kentucky [Mr. WITHERS], which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 15, line 12, under the heading "Subsistence of the Army," it is proposed at the end of the paragraph to change the semicolon to a colon and add the following: "Provided further, That none of the money appropriated in this act shall be used for the purchase of oleomargarine or butter substitutes for other than cooking purposes, except to supply an express preference therefor or for use where climatic or other conditions render the use of butter impracticable."

Mr. WILEY. Mr. President, I think my fellow members will bear in mind that for the last 8 months I have very seldom taken the floor. I have been consistently present in the Senate Chamber, of course, except on one or two occasions when I was in my State.

In connection with this particular amendment it is necessary to recite a little history, from which I think Senators will then understand very clearly what is involved. The Army appropriation bills beginning with Public Law 718 of the Seventy-first Congress—remember that—covering the fiscal year ending June 1932, have contained the proviso I am now asking to have appended to this bill. The proviso was eliminated by the subcommittee on the Armed Services of the House Appropriations Committee, and in my humble opinion it should be restored for three reasons. I shall state them very succinctly and I trust I shall have the attention of the Senate.

First, the elimination of this proviso would cost the Government money. I want to demonstrate that fact to the Senate. Day after day I have listened to arguments by my colleagues, who represent different sections and different interests—the water-power interests, and so on. I am speaking today on behalf of the Government, the Treasury of the United States. The adoption of this proviso would save the Government money. There would be no saving to the Government through the substitution of oleomargarine for butter in the diet of the armed forces. On the contrary, probably a net loss would be involved, inasmuch as the Government is already supporting the price of butter at 59 cents a pound until September 1, and thereafter until December 31 at 62 cents a pound.

Through July 20 the Commodity Credit Corporation had purchased approximately 10,000,000 pounds of butter. The amount has now increased to about 30,000,000 pounds, which is the amount the armed forces would need. It is estimated that because of the increase in the armed forces, the armed forces will use this year approximately 42,000,000 pounds. If half of this volume were to be shifted to oleo, an ostensible saving of approximately \$10,000,000 would seem to result. Actually the Department of Agriculture would have to purchase the additional volume of butter represented by the reduction in demand on the part of the armed forces. It would be a case of saving with one hand while spending with the other. The over-all cost to the Gov-

ernment would merely be increased by the additional amount expended on oleomargarine.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WILEY. I prefer not to yield at this time, unless it is for some special purpose.

Mr. MAYBANK. Unless I misunderstood the Senator, he stated that it would cost the armed services more to buy oleo.

Mr. WILEY. I did not say that.

Mr. MAYBANK. I beg the Senator's pardon.

Mr. WILEY. I said the Government now has on hand practically the allotment which the armed forces need, namely, 42,000,000 pounds. The Government has had to buy it, and it is available.

The second point is that the butter proviso specifically permits the use of oleomargarine as an edible spread in the armed forces where there is an express preference for it; but there is no record of an express preference of any significance. On the contrary, tests made by the Navy show that only 2.79 of the men prefer oleo, while an average of 83.70 percent prefer butter.

It will be remembered that last year the oleo interests put on a big campaign on which they spent approximately \$6,000,000. At that time the campaign was based upon the oleo tax. That is not involved in this issue. The butter interests, represented by some 6,000,000 farmers, have said, "Take the tax off. But we will not concede, without a fight, that oleo should have the color of butter, and that a fraud should be committed." So the tax is not involved.

Mr. President, this year, because 83.70 percent of the men in the Navy preferred it, butter was served to them. We talk about the "5 percenters." Six million dollars has been spent to fool the American people. We had an avalanche of letters based upon the assumption that the 10-percent tax meant an increase in the price of oleo to the consuming public. That mirage was effective. But when the American people were told that that was not the issue, that color was the issue, and that we did not believe in permitting a fraud of that character, they began to wake up. They saw instance after instance in the States in which colored oleo was permitted to be sold at the same price as butter. There have been instances of the appropriate department of Government having to take steps to protect the public interest in relation to butterine, and other similar products.

Supplying good food to the troops has always been a prime objective of the Quartermaster General. The substitution of inferior products against the express wishes of the men is damaging to troop morale.

I have not yet reached the point of discussing the 6,000,000 farmers. I am talking about the men in the service who have expressed their wish. I am also talking about the "5 percenters," who spent \$6,000,000 to bring pressure on the Congress.

For the first time since 1932, it has been decided to take a crack at the dairy industry. After having voted tremendous sums in behalf of other interests, including flood control, and Navy plants up and down the east coast, we now find the oleomargarine group, represented by approximately 30 production plants, making vast sums of money, and having available large amounts to influence the thinking of the American people. For some reason or other, for the first time since 1932, they are saying that this market belongs to them, because the men in the Navy want oleomargarine. They want to feed the boys in the Navy oleomargarine.

That would mean that that much of the market for butter would be gone. It would mean that the Government would have to step in and maintain the price. Although having 40,000,000 pounds on hands, the Government would be buying more butter to maintain the price.

The Quartermaster General of the Army recently said:

It is not considered advisable at this time to substitute oleo in the place of butter for troop feeding.

Admiral Joseph F. Farley, Commandant of the United States Coast Guard, has declared:

I am of the opinion that substitution of margarine for butter in the service diet would not be generally pleasing to the men, resulting in discontent.

Because all the services are having difficulty in attracting recruits, every inducement must be made to point out the attractive features of service life. The butter proviso merely maintains the home customs and diet preferences of the men in the armed forces. Members of the armed forces are used to butter. They want butter, and they are entitled to butter. It is not fair to them to force a substitute upon them. Remember, we are having trouble getting recruits.

Some of my brethren may say, "Of course, he is speaking for his own State of Wisconsin." I am proud to speak for the State, but I invite the attention of Senators to the fact that while Wisconsin is the greatest milk-producing State in the Union, only 3 percent of our milk goes into butter. I am likewise thinking of Minnesota, Iowa, Nebraska, and the Dakotas, and what the effect on those States would be.

The oleomargarine industry is selling about 1,000,000,000 pounds through various methods. That leaves 1,400,000,000 for the butter market. I am thinking what it would mean if that market were stolen and there were taken from the land the greatest fertilizing agent known, namely, the dairy cow. If we reduce the herds in the Middle West we shall see the time when the land will become unproductive. In my own State, starting in the early 1800's, we produced a great deal of wheat. From that time until the 1850's we produced between 18,000,000 and 20,000,000 bushels of wheat for a few people. But it sapped the fertility of the land, and the wheatfields moved north. The land became unfertile.

Then the Scandinavians, Germans, and Swiss moved into that State. They

were dairy people. They started with their cows, and they brought back the fertility of the soil. Today the State of Wisconsin is like the Garden of Eden. Now a serious attempt is being made to reverse that situation. Artificial fertilizers will never give to the soil what cows give in the form of natural fertilizer.

I have stated what the elimination of this proviso will cost the Government. If oleomargarine is substituted for butter in the Navy diet, the cost might amount to a considerable sum. I also have said that diet is most important to both the health and the morale of those who serve in the armed forces. I have pointed out that 83.7 percent of the men in the Navy want to have butter served to them. However, somehow or other, they no longer get butter. The very power that spent \$6,000,000 last year, and still is spending vast sums of money, in an attempt to fool the public, has arranged, somehow or other, to have eliminated from the Military Establishment appropriation bill the provision which has been contained in previous appropriation bills of this sort since 1932.

My third point is that in the face of the farm-price recession butter has become more important than ever to the dairy farmers. On this point, Mr. President, I speak for the farmer. Heretofore I have spoken of this matter from the standpoint of the Treasury Department, from the standpoint of the veteran, or from the standpoint of those who now are in the armed forces. But at this point I speak from the standpoint of the group of people in my State who never have asked for help from the Government, but have built up and developed a splendid economy on lands which formerly were forest lands.

Mr. President, the volume of fluid milk consumed in this country is showing a tendency to decline. As a result, the production of butter, the balance wheel of the dairy industry, during the first 4 months of this year was more than 20 percent above the production of a year ago. Yesterday I read in the newspapers that in my own State of Wisconsin more and more milk is being used to make butter and cheese.

Now we are faced with an attempt to take away our butter market. The people of my section of the country have contributed billions of dollars in taxes which have been used in great part to build up the Mississippi area. They never have asked for anything in return, but now they are asking to be treated fairly.

As I have said, Mr. President, an increasing amount of milk is being used in this country for the production of butter. Butter storage stocks increased rapidly during June; and on July 2, the total holdings approximated 114,000,000 pounds in the 35 principal cities. This figure is more than double that of last year, and is considerably higher than the figure for the average for the past 5 years. Dairy farmers have had to take large price reductions already this year. Politically and economically, there is no justification for speeding the spiral of agricultural depression by deleting the butter proviso from the Military Establishment appropriation bill. There is

every reason for restoring the proviso to the bill.

As I previously stated, Mr. President, the proviso which my amendment seeks to restore to the Military Establishment appropriation bill has been a part of every Army appropriation bill since the Seventy-first Congress first enacted it 18 years ago. It is a proviso which is distinctly for the good of the service from a morale-building standpoint. Butter has always been the table spread in the armed services. The proviso is an affirmative declaration of that fact and was inserted in the Army appropriation bill when the first attempts were made by the oleomargarine interests to lower this traditional standard.

At that time, in 1931, butter was selling below the cost of production. The Army was using about 4,000,000 pounds of butter a year, and it also had purchased some 500,000 pounds of oleo. There were complaints from soldiers that they were not getting their fair share of butter. They wrote to their parents, and their parents wrote to their Congressmen. The proviso, which we now are seeking to restore to the Military Establishment appropriation bill, was introduced as an amendment by Representative MERLIN HULL, and was passed by the House.

When the bill reached the Senate, the amendment had been stricken by the Senate committee. Senator Blaine, of Wisconsin, charged that the officers' messes were getting an adequate supply of butter, but that the enlisted men were being discriminated against. He told the Senate that he had eaten at both officers' and enlisted men's messes. Referring to butter, he said, "It was the most precious thing in the mess; and the man who could get at the butter plate first was the fortunate man in the enlisted men's mess. The butter proviso was adopted by the Senate by a vote of 45 to 22."

This butter proviso, enacted in 1931, has not been seriously threatened until in recent years, when those interested in expanding the use of the substitute apparently gained increased influence. Last year the proviso was deleted from the Military Establishment appropriation bill on the floor of the Senate on a motion by the Senator from Arkansas [Mr. FULBRIGHT]. There was practically no discussion. There was no roll-call vote. The comments by the Senator from Arkansas were largely on statements selected from testimony before a Military Affairs Subcommittee hearing—a hearing at which I understand the statements and testimony were prepared and arranged under the auspices of Best Foods, Inc., one of our foremost oleomargarine manufacturers. The butter proviso was dropped from the bill, but later was restored by the Senate-House conferees. It was passed as a part of last year's appropriation bill.

This year the elimination of the proviso was authorized by a House Appropriations Subcommittee, and the bill was passed by the House without its omission being called to the Members' attention. The appropriation bill, without the proviso, was reported by the Senate Appropriations Committee.

Mr. President, we Americans have always prided ourselves on feeding our troops very well indeed. It is an equally well-established fact that the great majority of Americans, in or out of the armed forces, think of butter as the one, top-quality table spread. If diet were a matter of personal choice, the overwhelming majority of service men and women would, of course, select butter in preference to oleomargarine for their own consumption.

The 18-year-old butter proviso represents a good deal more than the economic interest of the dairy farmers of this country. It also provides for the health and well-being of the members of our armed forces, who are accustomed to being better fed than any other service men and women in the world. Inasmuch as we now depend heavily upon recruiting enlistments to maintain the strength of our fighting forces, it would be the height of folly to reduce in any respect the pleasanter features which make such enlistments attractive to our young people. Yet the elimination of the butter proviso in the current armed service appropriation bill would do just that, needlessly and to no advantage whatever.

Mr. President, in view of the salesmanship that is being displayed in behalf of oleomargarine, I think Senators should stop and consider the 6,000,000 dairy farmers. Generally the farmer is an independent citizen, thank God. He may join a few organizations, but he still thinks individually. As a result he is not in a position, as are corporate interests such as the oleo interests, to organize and accumulate funds with which to make a fight. As a result he does not realize individually at least that he is engaged in a psychological warfare in relation to a commodity which is going to mean the depletion of soil, so that possibly not in our own time, but within 50 or 75 years, when the population of the country has risen to 300,000,000, we may be thinking about importing food unless we stop, look, and listen on this issue.

I say again, only 3 percent of the milk of my State goes into butter, so I shall not be accused of saying I am looking at a molehill and trying to make a mountain of it. I am thinking of the larger horizon. I am thinking of what it means. We of the North eat peanut butter and pay a big price for it; we permitted cotton to go abroad with an export subsidy. I ask those who have received benefits for peanuts and cotton to give us a little consideration in this matter. We of the dairy States consume a great deal of cottonseed and cottonseed oil, which are used in the feeding of dairy cows. They help make fertilizer, which rejuvenates the soil. It is a serious matter to permit a small, efficient group making a substitute product to impact a segment of our economy in the great Middle West, composed of individuals who never come to Washington to ask for a hand-out.

In connection with vast hydroelectric power developments, I may say that in my own State we have waterpower, but the citizens of our State have built the dams. So far as I know we have no Federal hydroelectric power development in the State of Wisconsin. That

gives an idea of the kind of folk we are. Yet we realize in looking over this vast country that certain sections have certain problems requiring special consideration. We have cooperated in such cases. We have voted with Senators interested in those problems. We have helped the people of their States. We have felt that perhaps in the far West, in Texas, in Oklahoma and elsewhere there were matters requiring special consideration. We therefore do not wish to be thought of as provincial when we in return ask Senators to protect what we think is a basic industry of our State. My State is 50 percent industrial, 50 percent agricultural. It is economically one of the best balanced States in the Nation, if not the best. Yet the economic well-being of the people in the villages is made possible by reason of the fact that the farmer gets a reasonable return for his milk. I may say he is not getting a very large return now. I speak from personal experience. He is getting \$2.70 a hundred pounds, which is less than 6 cents a quart. Are we to go ahead and hit him another blow below the belt? Are we to go ahead and make necessary the accumulation of more butter by the Government? Are we to bring about a situation which will require that the cows be sold? Think it over.

The proposed substitution of oleomargarine for butter at mess tables is certainly not a step which would lead any young man or woman to choose military service in preference to civilian life. The civilian may buy oleomargarine or not, as he pleases, but the enlisted man or woman has no choice but to eat the fare provided. If that fare is now to include a table spread which many Americans find distasteful, and which others eat only because they cannot afford butter, we may be sure the innovation will seriously detract from the sales argument of the men whose responsibility it is to keep our military establishment up to full strength.

TEST RESULTS NOT CONVINCING

How is it possible to justify this proposed substitution of imitation butter for real creamery butter? It is common knowledge, as I have already pointed out, that Americans prefer butter to oleomargarine when they have an honest opportunity to express a personal choice. The June 1949 issue of the Dairy Situation published by the Bureau of Agricultural Economics of the United States Department of Agriculture makes that point doubly clear. It says:

The lower retail price of butter, accompanied by the increase in consumption of that product, has reduced the market for margarine. In the first 4 months of 1949, consumption of margarine in the United States apparently was 5 percent smaller than a year earlier, though prices were down about as much relatively as butter prices.

Mr. President, we have with us the 5-percenters, and their influence. I am not blaming the 5-percenter. He is a salesman, as I hope I am. That is not the point. I am blaming those who upon the floor of the Senate have been called brass hats, who permit influence and perhaps get a "take." They are the chaps I blame. Life is a game of salesmanship.

But certain elements in both the Army and the Navy would seem to have gone to great lengths—and to misdirected lengths—to establish that oleomargarine could be used as a satisfactory substitute for butter in troop feeding, if the Congress would permit. The tests made, and the conclusions drawn from those tests, were not such as would inspire the respect of any impartial survey organization, to put it mildly. The officers in charge of those tests, perhaps overly influenced by an apparent opportunity to pare expenses and thus curry favor with the Appropriations Committees, have resorted to extremely questionable methods in undertaking to determine whether or not oleomargarine could be foisted off on the enlisted personnel.

For instance, let us examine one of the tests outlined in pages 41 and 42 of the Lee report, a memorandum for the chairman of the subcommittee of the House Committee on Appropriations, prepared by Mr. Robert E. Lee, chief of the committee's investigative staff. A standard Army dining hall served as the laboratory. To conduct the so-called test, the Army actually mixed oleomargarine into fresh dairy butter in increasing amounts day after day until 100-percent oleomargarine was being served, without notice to the men. During the test, which is listed as project No. QMBT203, a record of consumption per man per meal was diligently kept. At the end of the test the Army solemnly reported:

No appreciable change in consumption was noted during the entire study period, this indicating that either a mixture of oleo and fresh dairy butter or 100-percent margarine was acceptable to the troops.

Mr. President, this seems to be a truly remarkable conclusion to draw from a trumped-up procedure which was, to begin with, in absolute violation of the law. Did Senators ever ask themselves how such a performance happened to occur; how it was managed; who the salesman was, or who the people were who started it?

The Army is admittedly guilty in this instance of producing and serving adulterated butter in violation of the Food and Drug Act. Such illegal action on the part of the proprietor of any public eating place would not be tolerated in civilian life, and public health officials would be quick to take steps against the bright minds involved. That is not an approved way for civilian restaurant owners to save money, and it is even less excusable in the Army. I say again, that back of all this is the influence of those who could spend \$6,000,000 last year on this consolidated front, this tremendous pressure, which could result in the tests being made. They get to a point where they say, "The boys kept eating butter mixed with oleo until they could not tell the difference. So what? We will buy oleo."

The Lee report fails to disclose how long this fantastic test lasted, or how many troops were involved. We do know that the test was conducted without advising the men as to what they were eating, which constitutes fraud and deception of a type all too frequently used against dairy farmers. It is easily pos-

sible to fool people who do not know what they are being served. Indeed, dairy farmers have long opposed the manufacture and sale of yellow oleomargarine for the very reason that it is possible to deceive almost any restaurant patron with an imitation product that exactly resembles the original. The fact that these soldiers were young, vigorous, hard-working, and extremely hungry at mealtimes was ignored altogether, although surely these were considerations that ought to have been taken into account. Under those conditions, the Army might well recommend ground horsemeat as a substitute for hamburger, a fraud not unheard of in civilian life, but not one that would stimulate enlistments.

There is no hint in this Lee report as to whether or not the men liked the adulterated spread, and certainly no mention is made of the fact that some of them may actually have disliked it. The fact is that hungry young men will eat, without much complaint, almost anything that is served to them. My point is that this does not justify the Army's action in serving adulterated butter as fresh creamery butter, or in substituting an imitation product for a genuine dairy product under false pretenses. No soldier can be expected to exercise impartial judgment if he does not know that he is serving as a guinea pig.

Who arranged this "guinea pig" test? Who was it who had the influence? How many 5-percenters were involved in it, and what was the "take"? Those are harsh words, but we know enough about business competition to know where business goes at times, and the "take" here is tremendous. Oleomargarine can be made from oils for little or nothing, but butter cannot be produced in that way. It comes from the green grass and the clean water of the earth, and goes into the cow's system, and the milk cow, the greatest chemical factory in the world, produces butter. If the cow cannot earn its feed, it will go into hamburgers. If the cow is not present to enrich the soil, the soil will become infertile, and in two three generations we shall see what will happen.

No soldier, I say, can be expected to exercise impartial judgment if he does not know that he is serving as a guinea pig. A substitute diet cannot be listed as acceptable merely because some officer chooses not to tell his men that they are having something put over on them.

In a second Army test, project No. QMBT 203a, involving only a single detachment in a single dining hall at a single meal, each soldier received one pat of oleo and one pat of fresh dairy butter. Each pat was identified by number in a pseudo-scientific manner, but the men were told that all the pats represented different brands of butter. There was no mention whatever of oleomargarine, mind you. On the contrary, these men were definitely assured that they were about to sample only butter of differing quality. Having nullified any possible value that such a test might have had by misleading its participants to begin with, the Army then claims to have asked the men to fill out questionnaires regarding the acceptability of these samples.

I do not know who got this Army group so interested in selling the dairy farmer down the river. I do not know who so arranged it that no longer would the great middle section of the country be protected by the Congress of the United States. We are talking about a big industry. It is the big industry in the States which I have mentioned. It involves millions of the finest persons on earth, who have learned to become self-sustaining and who believe in initiative and private enterprise and, what is more, in work, and they do no believe in deceptive or synthetic products.

Remember, the Army did not truthfully advise these troops, either, about what they were eating. Instead, it deliberately misrepresented the oleo samples as being merely inferior brands of butter. Please note, too, that the Army confined this absurd test to only one meal for only one detachment of men. It does not even name, in the Lee report, the brands of oleo and butter used. It does not tell us what questions the men were asked, nor does it give us a transcript of their replies. Yet the Army expects us to accept its own astonishing conclusion from this so-called test, which was as follows:

Analysis of the results indicates that artificially colored oleo of equal or better quality than that tested could be considered as acceptable substitute for fresh dairy butter.

What are we to say about military brass that propose to change the diet of enlisted men on the basis of such nonsense? Are they doing business with the 5-percenters of whom we have been hearing so much lately? Or are they merely naive in believing that deceptions which may not be practiced on civilians make acceptable evidence when enforced by the military?

Stop and reflect that there would be nothing to prevent the Army from testing rations of ground horse meat or horseburger to substitute hamburger. Now would we have a logical redress to protect tests of ersatz bread as a possible substitute for real bread? In fact, I ask myself why the Army has not conducted a test of those ersatz foods rather than an investigation of oleomargarine and butter and the only answer I can find is either that the 5 percenters have been getting their licks in or that the oleomargarine lobby, never at a loss to take advantage of the smallest loophole, has exerted its powerful influence to bring about this action and the investigation which precipitated the action. Irrespective, however, of what motivated the Army and the subcommittee on the armed services appropriation bill to tamper with this law, I consider the decision they have made a palpably unfair, unjust, and imprudent one.

The Navy, according to the Lee report, ran one test of its own under the mysterious code number NTOO 2050-B. For the purposes of this test the Navy had the grace to use from 5,000 to 8,000 men over a period of 13 days, thus establishing some pretense of accuracy in sampling the tastes of its personnel. According to the Navy, the results were as follows:

When allowed to take their choice of margarine or butter, the percentage of men who

took butter at any one meal varied from 73.33 to 92.39, with an average of 84.82 taking butter—83.70 percent of the men stated they preferred butter, 2.79 percent preferred margarine, 13.51 percent had no preferences. Only 46.93 percent of the men were able to correctly identify the spread served.

Mr. President, it will be noted that less than 3 percent of the men exposed to this test stated they preferred oleomargarine to butter. Almost 85 percent of the men tested, on the other hand, stated clearly that they preferred butter to oleomargarine. Among the men who expressed an opinion in the matter, the preference was for butter by a ratio of 28 to 1. How, then, are we to account for the Navy's conclusions arrived at on the basis of these findings?

Those are interesting figures. The oleomargarine people have done a good job in forwarding their ersatz product. That is why they want it colored. When it is made out of good oils, when it is properly saturated with appropriate vitamins, I am not saying that it is not a good food in a right sense. What I am saying is that when the armed forces say to us that 92.39 percent of the men want butter, they should not be served an ersatz food, even if the brass hats are involved in it.

Mr. President, that is a very interesting consideration. A court, when it makes its findings, generally enters judgment in accordance with the findings. But that is not the case here. The Navy goes contrary to the findings as shown by tests of the men.

NAVY CONCLUSIONS ABSURD

The Navy has somehow managed to convince itself, despite the overwhelming decision of the men who were used as guinea pigs for this test, that colored margarine of approved quality can be considered as an acceptable spread for use in the messes of the Navy. Those words are the Navy's, and purport to be based on the test described. How or why they came to this conclusion, I do not know. The Navy's remarkable statement means nothing whatever in the face of the figures just quoted, and let me remind the Senators that the findings are the Navy's, not mine.

We have no definition from the Navy of what is meant by the term "approved quality" as applied to oleomargarine, nor are we given any inkling as to what the Navy has in mind when it uses the word "acceptable" as applied to a table spread. Does "acceptable" mean that, in the Navy's opinion, yellow oleomargarine will not make anyone sick and, consequently, can be used to save money in the messes of the enlisted men? Does the Navy propose to use the same kind of oleomargarine in the officers' messes, or will proper class distinctions be maintained by serving fresh dairy butter to men above the rank of ensign? We cannot tell from this report. We can be sure of only one thing, and that is the meaning of the phrase "colored margarine."

Colored margarine refers, of course, to oleomargarine colored yellow at the factory in exact imitation of butter. Individual States with more than one-half the total population of the country have decided, through their State legislatures, that this particular type of deception is

a danger to the consumer and an injustice to the dairy farmer.

I call attention to what the States have done. They are the constituencies of Members of this body. Sometimes they show that they have better sense as to what is best for the public than we here in Washington. Do not tell me that 6,000,000 farmers in the Middle West do not represent a tremendous bloc in this country, economically, politically, and every other constructive way.

Someone in the Navy, however, has decided, on the basis of the expressed preference of less than 3 percent of the men participating in this test, that this fraudulent and deceptive product is an acceptable spread for use on its mess tables.

To give credit where credit is due, I must admit that the Navy does not characterize this imitation of a genuine dairy product as desirable. No one had the gall to say, merely because 2.79 percent of the men tested preferred oleomargarine, that the other 97.21 percent ought to be made to eat it whether they liked it or not. The Navy confines itself to stating that because less than 3 percent of the thousands of men participating in the test seemed to like oleomargarine, the product was therefore to be regarded as acceptable to the remainder. Shades of Dr. Gallup. Mr. President, I simply do not believe that this conclusion can logically be drawn from the information at hand.

COAST GUARD DISPLAYS COMMON SENSE

A somewhat contrary view is expressed by Admiral J. F. Farley, Commandant of the United States Coast Guard. His understanding of the true interests of his countrymen is perhaps better than that of the officers who supplied material for the Lee report. Admiral Farley stated, in a letter of March 10, 1948, to Representative Hadwen C. Fuller of New York:

The Coast Guard, along with other armed services, must make persistent efforts to keep up to authorized strength. Every inducement must be made to point up the attractive features of service life. All the services are having difficulty in attracting recruits. In my opinion the substitution of margarine for butter while it would effect a saving, would be detrimental to morale.

The Commandant of the Coast Guard, in his letter to Representative Fuller, added:

I am of the opinion that substitution of margarine for butter in the service diet would not be generally pleasing to the men, resulting in discontent.

Somewhat along the same line, the Quartermaster General said, on page 145, paragraph 20, of the House hearings:

It is not considered advisable at this time to substitute oleo in the place of butter for troop feeding.

Because of pressure exerted on the armed forces by the oleo interests and their friends, I am advised that it was impossible to bring before any committee of the Congress the officers and men of the armed services who, in the overwhelming majority, would oppose the substitution of oleo for butter at their messes. And, since the Quartermaster General buys substantial quantities of

oleomargarine, the oleo lobby has tried to imply that these purchases are for use by the armed forces.

Actually, except for trifling amounts, all oleomargarine bought by the Quartermaster General is for resale in post exchanges and commissaries. Oleomargarine may be used by the armed forces for cooking purposes, but last year the Quartermaster General testified that little or no oleo is used even in this manner. It has proven to be cheaper and more satisfactory to use for cooking only those fats which come from military rendering plants.

HOSPITAL USES CITED

The oleo interests have also tried to convey the impression that large quantities of oleomargarine are used in military and naval hospitals by patients who have some ailment which prevents their consumption of animal fats. How many such patients are there? Close questioning has shown that very little oleo is used for table spreads under such conditions. Without exception, military and naval hospitals have been using for cooking purposes only such oleo as they do consume. Incidentally, in dragging in patients who must avoid butterfat, the oleo people fail to mention, of course, that many people in and out of hospitals are allergic to cottonseed and other vegetable oils and cannot safely eat oleomargarine under any conditions.

The contention that oleo can be used by the military in places where there is no refrigeration is not, of course, a valid argument against butter. The oleomargarine manufacturers are allowed to use a preservative—benzoate of soda—which is prohibited to butter makers, and it is only this preservative which makes oleo seem to perform better under field conditions. Without preservatives vegetable oils break down in extreme heat as rapidly as does butterfat, and the lack of refrigeration is equally injurious to both. The morale of troops on active duty under such conditions is not improved by substituting an inferior product for butter, since butter is both a food and a flavor.

It has always been the objective of the Quartermaster Corps to supply good food to our American troops. The butter proviso, which assures ample supplies of quality dairy products, meets that objective and in addition satisfies the taste preferences of men in the armed forces of the United States. Service men and women want butter as a table spread, and they are entitled to have butter. Mr. President, I urge on behalf of the hundreds of thousands of young people who are now in the armed forces, that this Nation should continue to supply them with the best foods obtainable, including butter.

BUTTER PROVISIO SHOULD BE RESTORED

The only provision of the law affecting the use of oleomargarine by the Army, including the Air Force, is contained in the proviso to which I have referred. The important proviso states that money appropriated shall not be used for the purchase of oleomargarine or butter substitutes for other than cooking purposes, except to supply an expressed preference

therefor, or for use where climatic or other conditions render the use of butter impracticable.

There is no existing law which expressly forbids the use of oleomargarine at Navy messes. However, title 34, United States Code, section 902a, states that the Navy ration per day per man shall include 1.6 ounces of butter. The Navy has always construed that to mean that oleo may be substituted for lard in cooking but not, by implication, for butter as a table spread.

ONE-FOURTH OF OUR FOOD SUPPLY AT STAKE

Approximately 42,000,000 pounds of butter will be used for troop issue this year, and this accounts in very large measure for the high standards maintained in feeding our armed forces. Anyone who has ever watched young men and young women eat knows how important bread and butter is to them as a food staple. But, Mr. President, an ample supply of butter to spread on their bread is not a mere accident of nature or a further evidence of the bounty of American farms. It is proof of the skill and efficiency of American dairymen.

It is worth remembering that while the dairy farmers of the Nation may depend upon the armed forces as purchasers of butter, the service organizations in turn are equally dependent upon the dairy farmer for vast quantities of milk, meat, and other dairy products. The two resources go hand in hand. It is not possible to stop buying butter, as I shall demonstrate, without eliminating from the national scene a goodly proportion of the dairy farmers who also supply those other commodities.

Mr. President, I should like to tell the other Members of this body a few things about the dairy industry—an industry that supplies 1 out of every 4 mouthfuls of food consumed by our 147,000,000 citizens. I should like to repeat that dairy production figure, if I may, so that no Senator can fail to understand the importance of the dairy industry to every American, in or out of the armed forces. One-quarter of all the food consumed by this Nation—or, as I have just said, 1 bite out of every 4—is provided by the dairy farmer and the industry he serves.

The dairy cow produces not only all of our milk, but 40 percent of our beef and veal.

Please note that—40 percent of our beef and veal.

Much of the milk is drunk in fluid form or goes into ice cream, cheese, evaporated and dried milk, and other manufactured dairy products. Some 27 percent of all the milk produced, however, goes into butter because that is the most practical, convenient, and readily available outlet for the seasonal surpluses. It is the problem of flush and dry seasons that makes butter sales an economically important factor in the life of the Nation. We produce in this country some 117,000,000 pounds of milk a year, worth more than \$10,000,000,000. One out of every fifteen people in the United States is in some way involved in the production, processing, or distribution of this milk. Three out of every four farms in the Nation keep the dairy cows from which it comes.

This gigantic enterprise would have no serious problems if the dairy cow could be induced to give a uniform flow of milk throughout the year. Unfortunately, such is not the case. The dairy cow produces as much as 50 percent more milk in the flush season than in the dry season, while consumers drink about the same amount the year round. If city homes are to have a steady supply of milk in winter as well as in summer, the dairy farmer must keep more cows than he needs in the periods of seasonal surpluses. Inevitably, at such times, he ends up with more milk than can be sold in bottles or otherwise, and that milk must be stored in some form or other to keep it from being wasted.

MILK HAS MANY USES

Fluid milk will not keep. It must be moved promptly in cans, tank trucks, or railway tank cars, from the milksheds to the dairy plants—or it must be fed to animals or dumped into the creek. Municipal milksheds, as the various dairy farm areas surrounding our metropolitan centers are called, extend out into the country for many miles—as many as 300 in some cases. Nevertheless, there are a number of important dairy States with very few metropolitan outlets for their milk in bottled form.

What is to be done with the enormous quantity of milk produced in such States? Five gallons of milk can be converted into 20 quarts of the bottled fluid to bring the dairy farmer his longest profit. But if there is only a limited market for fluid milk in some States, and if that market is already being supplied, what then? The same 5 gallons of fluid milk can be converted into 9½ small bottles (the half-pint size) of 30 percent cream. Or the cream can be shipped longer distances in bulk. This makes the markets of the East available to many dairy farmers in the Midwest, but this method of disposal also has certain draw-backs in connection with the skim milk that is left over when the cream is separated. There are not always facilities available for using this residue economically.

Five pounds of dried whole milk can be extracted from our 5-gallon can of fresh milk, and this dried milk is finding an increasing market among bakers and other food processors. There are only so many plants that can produce this manufactured dairy product, however, and we may suppose that in many instances no such plant is within reach. The same applies to the processes which can turn 5 gallons of fresh milk into 21 cans of evaporated milk, or the facilities that produce 11.2 quarts of ice cream from 5 gallons of the fluid, or the plants that can convert it into 4.1 pounds of American cheese.

At the head of the list of manufacturing outlets—and more important than any other conversion process because it is the simplest and most convenient—there is the local creamery that turns 5 gallons of milk into 165 pounds of butter. Butter can be stored longer than any other dairy product, under the right conditions. It can be shipped almost anywhere, and always finds a ready market. Its price is established in the last free commodity exchange left to us.

It has the widest possible acceptance as a quality table spread, and there are 3,500 local creameries, scattered throughout all 48 of our States, that are ready and willing to accept any dairy farmer's surplus milk at any time for the manufacture of butter.

Some of those who talk about small business and want to help small business should pay a little attention to that situation. There are 3,500 local creameries scattered throughout the 48 States of the Nation. If Senators want to know something about oleomargarine they will find that there are less than 50 big producers of oleomargarine throughout the United States. There are less than 50 factories producing oleomargarine, owned by the big shots. Against that there are 3,500 local creameries and back of them 6,000,000 farmers.

BUTTER OUTLETS ARE IMPORTANT

Mr. President, it must be obvious that such butter outlets are of the utmost importance to the whole price and supply structure of the dairy industry. Without this known and dependable market for his surplus milk, the dairy farmer would not be justified in maintaining the herds from which we draw a year-round production of fluid milk, and a summer-time peak production of ice cream, and the evaporated milk that we ship to our friends abroad, and the dried milk that our bakers are using in increasing quantities, and the cheese that adds so much to our protein diet.

The butter market is the dairy farmer's ace in the hole. He can afford to gamble on supplying milk in all of the other forms only because, if he cannot sell his milk for other purposes, due to varying market conditions, he can still take it to the local creamery and have it churned into butter. If this Congress does anything whatever to inject an element of uncertainty into the manufacture and sale of butter, the effect will be felt in the price and supply of every other dairy product we now enjoy.

Mr. President, the producers of milk do not work 40 hours a week, a figure mentioned on the floor of the Senate today. The producers of milk do not receive overtime pay. They work in the open, in God's green pastures. They love their work because they love animal husbandry. In those pastures is produced this great food I have taken time to go into detail in describing to the Senate. I have tried to show the Senate that not only the loss of the butter market is involved in this question. There is also involved the loss in fertility of the soil, loss in animal foods, in beef and in veal. We should think twice before we start such a chain reaction.

In a very real sense, the country's 40,000 dairy plants rely upon local creameries as stabilizers of the entire dairy industry. Those who want to think in terms of the small-business man should think in terms of the cooperative dairy plants, the little-business dairy plants. There are 40,000 of them. Behind each one of them in the cooperatives are several hundred farmers, and behind them are their wives and children. Many of

them have dug their farms out of the rocky soil and the woodland.

Our annual production of milk would fill a canal a yard deep and 40 feet wide stretching from New York to San Francisco. This industry involves millions of the best Americans. I ask that it receive a little consideration. This is an enormous flow of milk—an irresistible tide which must be directed into one or the other of our market channels every single day of the year. It is not a stream which can be shut off from some remote-control tower by the flick of a switch. It is not controlled by any of the "big shots" in Wall Street or Chicago, who are after the big market for oleomargarine.

The dairy cow is not an industrial plant to be closed down at noon on Saturday, and started up again on Monday morning. The river of milk is always flowing, Sundays and holidays included. Cheese prices may drop in New York, or the demand for ice cream may decline in Boston, or consumers in Tulsa or in Toledo may decide to use less bottled milk, without disturbing the current, so long as there are storage reservoirs of butter to accommodate the overflow that is temporarily deflected from those markets.

I only wish that every Senator could read this analysis before a vote is taken, because there is so much misunderstanding about the real issue.

DAIRY INDUSTRY ENDANGERED

We must have butter outlets to fall back on, therefore, if we are to maintain the manufacture and distribution of other dairy products against the hazards of falling prices and weakening consumer demand. Each dairy product is tied to all the others in a complex economic pattern, but a single dairy product—butter—has properly been called the "balance-wheel" of the entire dairy industry. There is no question about it being a stabilizer. The economy of no other food development is so complicated or so sensitive to disruption at a single point. As butter goes, so goes milk and all milk products. Displace any sizeable portion of the butter market and we disrupt the dairy industry itself.

Mr. President, there is no satisfactory substitute for milk. One quart of milk per day for each child, and at least 1 pint for each adult, is generally considered the minimum requirement for good health. I need not tell Senators, parenthetically, that these same oleomargarine boys are building a substitute milk product. That is the next shot.

The calcium in milk aids in the development of strong bones and teeth; the vitamins in milk help produce clear vision and a good skin. The use of fluid milk or of milk equivalents in a manufactured dairy product, such as butter, is highly desirable for continued growth and vigor. The medical branches of our armed forces know all this, but doctors are not economists.

An Army doctor might accept without too much argument the dubious claims of the oleo interests that their product is the "nutritional equivalent" of butter; and who is to blame him? However, if that same doctor is told that the butter

markets thus displaced will reduce the local supplies of milk and meat now available to his men he can be expected to sit up and take notice. That is precisely the point I wish to make today. If the armed services are forced to substitute oleomargarine for butter in their messes they can look forward to a sharp decline in the amount of meat, milk, cheese and ice cream available to their personnel at bases throughout the country. Effect follows cause in this instance as night follows day. This is not mere theory, Mr. President. It has been demonstrated over and over again at various periods in our history, and in various sections of our land.

When butter production was discouraged during the war in order to free quantities of dried or evaporated milk and cheese for shipment to Europe, the seven leading butter States lost millions of dairy cattle. Why? Because the dried-milk plants and the evaporated-milk plants were not located where dairy farmers in those seven States could take advantage of their facilities. Deprived of their normally profitable butter outlets, those farmers had no other recourse than to dispose of their herds and turn to some other form of agriculture.

Frankly, Mr. President, I am speaking from experience. I happen to operate a dairy farm. I have operated it since my folks left it more than 30 years ago. When we got through the war period I found my soil depleted. I had to spend approximately \$1,000 a year for artificial fertilizer, combined with the fertilizer from the cow. We have not yet reached first base. Mine is only a small farm. I never was a farmer in the sense that I made my living from the farm. It is simply the old homestead on which my folks lived. But I live in a great farming section, one of the greatest dairy sections in the world. I know those people. I went through the years when they sweated, and I do not want to see anything done in the Congress of the United States which will put them through the wringer again.

In due course we encountered a shortage of beef and veal which normally had been supplied by the dairy herds of those great butter-producing States. Butter itself became almost unobtainable in many sections of the country, and the housewives of the Nation were forced to buy oleomargarine regardless of individual preference. Then our oleo friends jumped in. The eventual result was a scarcity of dairy animals, which drove the prices of meat and butter sky-high—a scarcity that has persisted almost up to the present time. The law of supply and demand went into operation.

It takes 3 years to raise a dairy cow to producing levels. As I have already said, our milk supply is not something to be turned on and off at will. Either we have animal agriculture as in the past, or we turn to a cereal diet and to reliance upon vegetable fats and oils controlled in part by an international cartel which would like to do away altogether with the dairy cow. Which are we to choose?

ELIMINATION OF PROVISIO WOULD BE COSTLY TO
THE GOVERNMENT

The 42,000,000 pounds of butter which will be used by our armed forces this year, would not, at first glance, seem to be overly important in view of our national consumption of 1,900,000,000 pounds of this vital dairy product. Its importance becomes more significant when it is realized that under the price support program of the Department of Agriculture it has been necessary for the Commodity Credit Corporation to buy up some 9,792,000 pounds of butter in the past few months. It is still buying it.

If, as has been suggested, oleomargarine were allowed to displace about half of the butter requirements of the armed services, there would be an ostensible saving of around \$10,000,000. It would be a case, however, of saving with the one hand and spending with the other. The Commodity Credit Corporation would have to purchase the additional volume of butter represented by the cut in buying by the armed services. On top of that would be the cost to the services of the oleo. The over-all net result would be a greater cost to the Government.

Mr. President, we have three important questions to answer. If they cannot be answered in the affirmative—and I do not believe they can—we have three sound and valid arguments for the restoration of the butter proviso in the Military Establishment appropriation bill which we are considering today.

First, are we to impose upon our enlisted men and women by leaving them no choice in table spreads? Are they to be compelled to eat oleomargarine whether they like it or not?

Second, are we to further weaken our butter markets at a moment when dairy farmers already face declining prices? Would not it be folly to throw additional butter on the market by substituting oleomargarine for butter in the diet of the armed forces at this time? I cannot believe that Congress would contemplate such action in the face of a recession in farm income that already has made itself evident throughout the dairy States. The only possible result would be wholesale resentment among farmers.

Finally, Mr. President, are we to destroy a long-standing tradition of the armed forces for the benefit of no one but the small group of oleo processors, and at the cost of increased Government expenditure?

Mr. President, unless we subsequently discuss another phase of the oleomargarine issue, this is probably the last time I shall discuss this subject during this session.

As I said some months ago, it is obvious that the Members of the Senate are tired. That is demonstrated in the committees. Probably we should adopt Lincoln's antidote for such troubles by displaying a little sense of humor.

I, for one, think we should try to get out of Washington. I think it would be for the benefit of the country if the leaders on both sides of the aisle would select the "must" legislation, and then would arrange for a resumption of the session about November 15. In the meantime we could get a rest. Then, beginning

November 15, we could fight out the oleomargarine issue, if that is desired, on the color proposition. I assure the Senate that that will be a fight.

Senators may smile; but if they will review the facts I have stated, I know they will find I have made no misstatements of facts. I have outlined what is one of the most disintegrating influences which will be brought to bear upon the people of the United States.

I appeal to Senators from the South, to whom we have been so good, to whom we have voted funds time and time again, not to undertake to carry through not only this proposal, but also the proposal with respect to the color of oleomargarine. Let me say that we have cooperated with the southern Senators on other matter, so much so that the newspapers frequently have circulated throughout the country the misrepresentation that there has been an agreement between the southern Senators and the Republican Members of the Senate.

Mr. McMAHON. Mr. President, will the Senator yield?

THE PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Wisconsin yield to the Senator from Connecticut?

Mr. WILEY. I yield.

Mr. McMAHON. Is the Senator from Wisconsin fearful that the present situation will disturb that impression on the part of the country? The Senator has said that the impression has been created that the Republican Senators and the Senators from the Southern States have been operating together. Is the Senator from Wisconsin fearful that the situation in regard to butter will disturb or change that impression?

Mr. WILEY. I do not know how widespread the impression is. I know the newspapers have carried such statements, whenever some of us have happened to vote according to our convictions, if such votes have not happened to be in accordance with some of the New Deal thinking. In such cases, we are linked, in the newspaper articles, with some of the southern Senators. I do not think that is fair to those of us who have been brought up in different economic, cultural, racial, social, and geographic circumstances. After all, I know of no two Senators who have the same social, racial, cultural, economic, or geographic backgrounds. So we have a right to have different points of view, based on different perspectives.

But if the southern Senators who are so interested in the oleomargarine situation will give a little consideration to the facts, as I have outlined them in regard to what will happen if they succeed in the plans they are spearheading because of the oleomargarine interests, they will understand that the consequences will be more dire than they are likely to realize offhand.

After all, Mr. President, all Members of the Senate are United States citizens. In our point of view, we should not be provincial. I have never cast any vote on any proposed legislation on a provincial basis; but so far as my personal convictions have been concerned, I have voted on the theory that what is best for

the entire country is best for the people of my area. However, of course, geographic backgrounds do have to be considered in some respects. Inasmuch as my State is 50 percent agricultural, it is necessary that I should consider the significance of what might happen to agriculture in my State and in the surrounding areas if Senators succeed in imposing this plan. In that case, what has been in existence in this respect would be ended; and the first impact of such action would be upon the dairy industry of the Nation.

Mr. President, I have spoken at length in regard to this matter, but I trust it will not be said that I have imposed upon the good nature of the Senate. I trust that I shall be able to sit back and listen when other issues arise.

This matter does not come before the Senate as a result of the action of any committee on which I serve. Of course, I am vitally interested in it, although not personally, because the interest I have because of my own little farm is of no consequence. But I am interested in this matter because, as I have said, half of my State is vitally concerned about the future of the dairy industry. So I ask Senators not to stick a dagger in its back.

Mr. MORSE obtained the floor.

Mr. WILEY. Mr. President, will the Senator yield for a moment?

Mr. MORSE. I yield.

Mr. WILEY. I ask unanimous consent that the vote on my amendment to the committee amendment be deferred until Monday, when we are to vote on the other amendments. Twenty-five or thirty Senators have left the floor at this time, and I think we should have the benefit of an expression of their sentiments on this subject.

Mr. FULBRIGHT. Mr. President—

Mr. MORSE. I yield to the Senator from Arkansas, if I may do so with the understanding that I do not thereby jeopardize my right to the floor.

THE PRESIDING OFFICER. Without objection, is so ordered.

Mr. FULBRIGHT. Mr. President, reserving the right to object to the request put by the Senator from Wisconsin, let me say first that I am not sure whether I understand exactly what the request is.

Mr. WILEY. My request is that we defer until Monday the vote on my amendment to the committee amendment. In the meantime, we can continue the debates tonight, as has been planned. But by deferring until Monday the debate on my amendment to the committee amendment, there will be just two votes at that time, as I understand.

Mr. LUCAS. Mr. President, if the Senator will yield to me, let me say that under the unanimous-consent agreement previously entered, the time on Monday from 11 a. m. until 2 p. m., is to be controlled by the Senator from Illinois and the Senator from Arkansas [Mr. McCLELLAN]. It has been understood that during that time we shall be debating the McClellan amendment, which has been offered to the bill. Of course, it will be all right if Senators

wish to vote Monday on the amendment the Senator from Wisconsin has offered to the committee amendment; but probably it will be out of the question to consider debating that amendment on Monday.

Mr. WILEY. I do not request that it be debated then; in my request I refer simply to the vote.

The VICE PRESIDENT. Under the unanimous-consent agreement, the two Senators having control of the time on Monday can yield to any Senator for any purpose for which they wish to let the time be used. It would be in accordance with the order for a Senator who then was yielded time to discuss this amendment. However, the understanding of the Chair is that on Monday, at the hour of 2 p. m., the Senate will proceed to vote, without further debate, not only on the McClellan amendment, but on any other amendments which may be pending, and then will vote on the bill itself.

Mr. WILEY. That is correct.

Mr. WHERRY. That is correct.

Mr. LUCAS. I have that understanding, Mr. President. I am glad the Chair places that interpretation upon the unanimous-consent agreement. So far as I am concerned, we can take a recess now, and vote upon the amendment on Monday unless the Senator from Arkansas wants at this time to answer the Senator from Wisconsin. Just what time could be given the Senator from Arkansas on Monday to answer the Senator from Wisconsin, I am not sure, but we could probably give him 15 minutes, and perhaps the other side could give him 15 minutes.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Arkansas?

Mr. MORSE. I yield.

Mr. FULBRIGHT. Mr. President, does the Senator from Illinois control the time on the one side?

Mr. LUCAS. I do.

Mr. FULBRIGHT. If the Senator from Illinois will yield me 15 minutes on his side, and if I can get 15 from the other side, I shall have no objection. But the Senator from Wisconsin has now been talking about an hour and a half, and I think some opportunity to make observations in reply to the Senator's remarks should be given to those who oppose his amendment. No one else has spoken.

Mr. WHERRY. Mr. President, reserving the right to object, I may state it was my understanding when the unanimous-consent request was entered into, all the amendments and the bill would be voted upon at 2 o'clock, and that the debate would continue today on all amendments other than the McClellan amendment. Of course, there has been a desire to discuss the question raised by the Senator from Wisconsin even to the extent of holding a night session, if necessary. I humbly submit a request that if we are going to continue, it seems to me a recess of 1 hour would be in order, if the majority leader feels that way about it. If we could conclude the discussion tonight, certainly I should be agreeable to

the request made by the Senator from Wisconsin to vote at 2 o'clock on Monday.

Mr. LUCAS. I do not know of any other amendment.

Mr. WHERRY. There is another amendment.

Mr. McCLELLAN. Mr. President, reserving the right to object, I should like to observe for the information of other Senators who may be interested, that there are other requests for time on this issue on Monday, so that I shall hardly be able to accommodate all of them. There would be very little time which could possibly be allocated to other Senators for the discussion of some other amendment.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from California.

Mr. KNOWLAND. I merely want to say to the majority leader, I have an amendment which is noncontroversial. I have spoken to the Senator from Oklahoma [Mr. THOMAS], chairman of the subcommittee. It does not add any funds to the bill. It has been requested by the Navy Department. It relates solely to El Toro Marine Corps air station in California. I should like to get it into the bill, so it would be behind us and would not be involved in the situation Monday.

Mr. FLANDERS and Mr. MAYBANK addressed the Chair.

The VICE PRESIDENT. Does the Senator from Oregon yield; if so, to whom?

Mr. MORSE. I yield first to the Senator from Vermont.

Mr. FLANDERS. Mr. President, I have an amendment which was passed over. It is an amendment to section 622 (a) and is an amendment which, I may say as a result of a conversation with the senior Senator from Oklahoma, I believe could be acted upon in a few seconds by unanimous consent, if the opportunity could be given me by the Senator from Oregon.

Mr. MORSE. I have no objection to yielding for any purpose, so long as I do not lose the floor.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin that the vote on his amendment be deferred until Monday?

Mr. FULBRIGHT. Mr. President, reserving the right to object, I do not object on the understanding that the majority leader will yield me 20 minutes on Monday in which to reply to the Senator from Wisconsin. I understand I am to get 5 or 10 minutes additional from the other side.

Mr. WILEY. Mr. President, if the Senator will yield, of course, I cannot object. I happened to be out of the Senate when the former unanimous-consent request was made, but I understood we were going to finish the debate today, except on the McClellan amendment, so I remained within call. I should have preferred, of course, to have it go over until Monday, in order that I might speak for 15 minutes to a full Senate and take the time I have remaining. That was my understanding. But if I am wrong about the understanding, I am

content. The Senator from Oregon [Mr. MORSE] is ready to speak. May I ask the Senator, why does he not proceed with the same group of Senators I have been addressing? He will then have made a record, and those who are interested in the facts can read the RECORD over the week end. That is the way I feel about it.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MAYBANK. Reserving the right to object, I merely want to state that I have an amendment to the bill, on the subject of small business. I have a letter from Mr. Louis Johnson, Secretary of Defense, assuring me of his interest in small business, and assuring me of his desire to cooperate. I therefore wish to withdraw my amendment. I ask unanimous consent that his letter may be printed at this point in the RECORD as a part of my remarks.

The VICE PRESIDENT. The amendment has not actually been offered and, therefore, has not been printed.

Mr. MAYBANK. That is correct. I shall not call it up.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, August 19, 1949.

HON. BURNET R. MAYBANK,
United States Senate.

MY DEAR SENATOR MAYBANK: Recently we discussed over the telephone a proposed amendment relating to small business which you indicated you intend to offer as an amendment to H. R. 4146. After talking to you I requested members of my staff to make a careful analysis of the proposal for the purpose of evaluating its probable effect on our operations. It is the results of those studies to which I wish to refer.

At the present time, under a proviso of the Selective Service Act of 1948, small business is defined as one which, directly and through its affiliates, has less than 500 employees, whereas the definition proposed in your amendment would establish an entirely new criterion.

The proposed definition would necessitate a statistical break-down into categories of manufacturers, wholesalers, and retailers and the establishment of standards with reference to relative size and position in relation to the rest of the industry, the nature of the operation, the size of the group supplying the capital, and, finally, an evaluation as to dominance of the industry. The question of dominance, as you can appreciate, would be such a relative concept, and determinable upon such a detailed factual basis, that its application to contracting would be extremely difficult.

The proposed amendment requires assistance to small business by making available procurement information, and by otherwise helping to give small business an opportunity to participate in the furnishing of commodities and services. Granting opportunity to participate is certainly desirable and practicable; and, if done on a broad enough basis, it would cover every group of businessmen. This is one of the objectives of the Military Procurement Information Office recently established, and I am sure it will be one of the significant achievements of that office.

I am inclined to think that for the present, our efforts should be directed toward making

contract opportunities available on the broadest possible basis, including, in addition to informational activities, the splitting of our requirements, where necessary, and the continuation of our statistical studies on the basis of our present criteria. Should a period of experience demonstrate that this is not accomplishing its purpose, perhaps a Government-wide and more detailed definition of small business might be worked out in cooperation with the Department of Commerce, the Administrator of General Services, and other interested agencies and departments.

With warm personal regards, I am,
Sincerely yours,

LOUIS JOHNSON.

Mr. FLANDERS. Mr. President, is my request in order, now?

The VICE PRESIDENT. The Senator will state his request.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. WHERRY. Has the unanimous-consent request of the Senator from Wisconsin been agreed to?

The VICE PRESIDENT. No, it has not been agreed to. The Senator from Arkansas reserved the right to object, unless he obtained certain assurances about the allotment of time.

Mr. FULBRIGHT. Mr. President, I said I did not object, upon the understanding that the Senator from Illinois would give me 15 minutes, with the understanding the other side would also give me 5 or 10 minutes.

The VICE PRESIDENT. That is a matter between the Senator from Arkansas and the Senator from Illinois. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Let it be understood that on Monday the time will be controlled by the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Illinois [Mr. LUCAS].

Mr. FLANDERS. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it?

Mr. FLANDERS. Does not my amendment take precedence over any new amendment?

The VICE PRESIDENT. The Senator's amendment is not pending.

Mr. FLANDERS. It is an amendment to section 622, an amendment which was passed over.

The VICE PRESIDENT. That is the committee amendment.

Mr. FLANDERS. Yes; it is the committee amendment.

The VICE PRESIDENT. It is a committee amendment which has not been acted upon.

Mr. FLANDERS. Mr. President, on page 89, line 18, I should like to amend section 622 (a) by reinserting in the committee amendment the language which was in the amendment when first considered by the committee, as follows: After the words "Air Force", insert "for (1) ships; (2) aircraft and aircraft parts; (3) guided missiles and parts thereof; (4) arms, armor, armament, and ammunition; (5) electrical, photographic, electronic, fire control, and hydraulic equipment, of special military application; (6) other technical or specialized equip-

ment and parts thereof, to be designated by the Secretary of Defense whenever, in his judgment, the best interests of the United States so require; (7) construction of facilities or installations outside the continental United States of America."

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Vermont for that purpose? He may only do so by unanimous consent.

Mr. MORSE. I ask unanimous consent that I may so yield.

The VICE PRESIDENT. Without objection, it is so ordered. The amendment offered by the Senator from Vermont, which he has already read, will be considered as having been stated by the clerk.

Mr. THOMAS of Oklahoma. Mr. President, if the Senator from Oregon will yield that I may make a statement, I think perhaps we can quicken action on the amendment.

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Oklahoma for that purpose?

Mr. MORSE. I request unanimous consent that I may do so.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. THOMAS of Oklahoma. Mr. President, the amendment which has just been presented was submitted to the committee. The committee in the first instance accepted it. Later on, it was reconsidered, and the final action was upon the amendment submitted by the Senator from Virginia. This means the whole matter will be in conference. I suggest we agree to the amendment submitted by the Senator from Vermont and let it go to conference.

Mr. SALTONSTALL. Mr. President, let me ask whether the amendment limits renegotiated contracts to contracts concerning the items which the Senator from Vermont has read.

Mr. FLANDERS. It limits renegotiated contracts to those series of items which are experimental, developmental, and otherwise in nature.

Mr. SALTONSTALL. Otherwise, there is no renegotiation, is that correct?

Mr. FLANDERS. Except under the Renegotiation Act of 1948.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Vermont to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KNOWLAND. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 64, line 22, immediately following the expression "(Public Law 778)," it is proposed to insert the following: "the act of February 6, 1942 (Public Law 438)."

Mr. KNOWLAND. Mr. President, I have a letter from the Office of the Secretary of the Navy, which is brief,

and which I should like to read for the information of the Senate. It is addressed to the Senator from Tennessee [Mr. MCKELLAR], chairman of the Appropriations Committee, and is as follows:

THE SECRETARY OF THE NAVY,

Washington, August 1, 1949.

HON. KENNETH MCKELLAR,

Chairman, Appropriations Committee,
United States Senate.

MY DEAR MR. CHAIRMAN: I have been requested to advise you as to the Navy's position in regard to the problem of providing an adequate water supply to the Marine Corps air station at El Toro, Calif.

The original plan for water supply at this station from wells has not provided an adequate supply and has been a matter of concern to the Navy. A resurvey of the problem has indicated that the ultimate solution necessitates the installation of a pipe line connecting the air station water system into that of the Metropolitan Water District of Southern California. The estimated cost of such a pipe line is \$660,000.

The Secretary of Defense, in a reply to a recommendation of the Secretary of the Navy for a supplemental appropriation (copies attached) suggested that with appropriation language included in the pending NME appropriation bill (H. R. 4146) the project might be accomplished without the inclusion of additional funds. This could be done only if savings in other public works projects could be made.

Legislative authority for the project is contained in the act of February 6, 1942 (Public Law 438, 77th Cong.), which authorized the construction of the Marine Corps air station at El Toro, Calif.

It is therefore requested that an amendment be made to the NME appropriation bill now before the Senate as follows:

On page 64, line 22, after "Law 778)," insert the following: "the act of February 6, 1942 (Public Law 438)."

The Bureau of the Budget has indicated verbally that there is no objection to the presentation of this request.

Detailed justification of this project is provided herewith.

With kind regards, I am,
Sincerely yours,

Mr. President, I ask that the detailed facts regarding the project be printed at this point in the RECORD as a part of my remarks.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY OF DEFENSE,

Washington, July 23, 1949.

Memorandum for: The Secretary of the Navy.

Subject: Appropriation for project to provide additional water supply at United States Marine Corps air station, El Toro, Calif.

Reference is made to your memorandum dated July 22, 1949, in which you requested that a project be submitted to the Congress to obtain an appropriation for additional water supply facilities at the Marine Corps air station, El Toro, Calif.

In view of the stated urgency and the reasons furnished for the required extension of the present water system, this office agrees in principle with this request. I feel, however, that in lieu of asking the Congress for a supplemental appropriation, it may be desirable to seek an amendment of the public works appropriation under the Bureau of Yards and Docks which appears in the appropriation bill for fiscal year 1950 now pending in the Senate (H. R. 4146). Such an amendment would include a reference to the act of February 6, 1942 (Public

Law 438), which, I understand, is the original authorizing legislation for the construction of the water-supply system at El Toro. This would then enable you to use part of the funds provided therein for the additional facilities required.

It will be necessary, of course, to clear the amendment through this office and the Bureau of the Budget for submission to the Congress.

W. J. McNEIL.

THE SECRETARY OF THE NAVY,
Washington, July 22, 1949.

Memorandum for the Secretary of Defense.

Subject: Appropriation for project to provide additional water supply at United States Marine Corps air station, El Toro, Calif.

1. There has developed an urgent need for additional water supply for the Marine Corps air station at El Toro, Calif. Considerable discussion and study has developed a project for solution of this problem in the form of construction of a pipe line to connect into the Metropolitan Water District of Southern California water supply. This project has been processed in the routine manner and was contemplated for inclusion in the 1951 public-works appropriation bill. However, the immediate urgency of the project has become apparent with the current summer season.

2. The estimated total cost of the project is \$660,000. It is the opinion of the Navy Department that since this is an extension of the present water system of the station, it is not a new facility and does not require separate authorization.

3. It is requested that action be initiated to have the Bureau of the Budget forward this project immediately to the Congress so that it may be included in an appropriation bill during the current session of the Congress.

FRANCIS P. MATTHEWS.

Marine Corps air station, El Toro,
Calif.: Additional water supply—\$660,000

This project provides for the construction of facilities and connection to the Metropolitan Water District of Southern California, Orange County feeder, to deliver and maintain an adequate supply of water to the storage reservoir on the Marine Corps air station, El Toro, from which the water can be distributed through the present system.

The current water supply is provided by pumping wells located within the station boundaries in the immediate vicinity of the water treatment plant and in an area from which other wells are drawing water for private irrigation. All pumps must operate 24 hours per day to meet the basic minimum requirements of the station and, at times the demand exceeds the supply leaving no margin or safety factor for emergencies or fire fighting. This condition requires stringent rationing of water during the summer months. In all, six wells have been drilled and two other drillings attempted. Of these wells, 1, 2, 5, and 6 are in operation. Well 3 was abandoned when drilled because no water yielding strata were encountered, and well 4 was used only a short time, then placed out of service because of high sand production. The other two drillings, attempted during early 1949, were abandoned as the result of the very unfavorable outlook at the sites. The records of well drilling in this area, as a whole, indicate that one dry or poor producing well is drilled for every producing well.

The Marine Corps air station, El Toro, and the surrounding area, faces a critical shortage of ground water due to the continued overdraft by pumping of approximately 12,000 acre-feet a year. This draw-down results in a dangerous saline encroachment of ocean water in the Orange County area with

the possible loss of the fresh water supply. Water-level records available for the station wells indicate that pumping levels are at, or below, sea level with the pumping level of well 6 about 70 feet below sea level. It is considered urgent that this project be constructed at the earliest possible date in order to provide an ample and permanent supply of water to the Marine Corps air station, El Toro, and in the interest of preserving the ground water of Orange County. In lowering the water demand of this area by providing this activity with a new source of supply, it may be possible for the ground water level to replenish itself and thereby serve as an emergency reserve.

The general manager of the Metropolitan Water District of Southern California, in his letter to commandant, Eleventh Naval District, dated August 6, 1948, furnished the following information:

(a) The price of water will be about \$40 per acre-foot.

(b) Apparently, there is no minimum charge.

(c) The quantity of water available is 2,000,000 gallons daily.

(d) The delivery rate will be limited to 130 percent the annual average rate.

(e) The point of delivery is fixed at a point near Willits and Bristol Streets in Santa Ana, upstream from a certain pressure regulating valve.

(f) All costs of constructing the delivery line and the outlet connection must be done by the Navy.

This project proposes to tie the water supply system of the Marine Corps air station, El Toro into the Orange County feeder of the Metropolitan Water District with the connection being made north of existing pressure reducing valve on Bristol Street south of Willits Street in Santa Ana, Calif.

The cost break-down is as follows:

	Total cost
14,000 linear-feet 18-inch 150-pound class concrete cylinder pipe under city pavement.....	\$210,000
16,000 linear-feet 16-inch 150-pound class concrete cylinder pipe outside city.....	176,000
22,000 linear-feet 150-foot head spun concrete pipe.....	220,000
Valves, meters, and fittings.....	15,000
Reinforced concrete structures....	39,000
Total	660,000

El Toro is the only Marine Corps air station on the west coast and will remain in an active operating status. The mission of the station is as follows:

Support of fleet marine air group, utility aircraft class A overhaul and repair activity and aviation supply activity. This requires facilities to support regular operations by a Marine aircraft wing composed of two fighter groups, two Marine ground controlled interceptor squadrons, one transport squadron, one utility squadron, and one instrument training squadron.

Mr. THOMAS of Oklahoma. Mr. President, the committee has considered the amendment offered by the Senator from California, and has no objection to it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

The amendment was agreed to.

Mr. WILEY. Mr. President, I might suggest that a good way to handle the oleo proposition would be to get unanimous consent to take it to conference.

Mr. THOMAS of Oklahoma. I do not believe my unanimous consent would have very much weight with the committee.

USE OF OLEOMARGARINE OR BUTTER SUBSTITUTES FOR OTHER THAN COOK- ING PURPOSES

Mr. MORSE. Mr. President, it will take a few minutes to handle certain details in connection with matters which I should like to have inserted in the RECORD.

There is nothing I can add to the statement of defense which the Senator from Wisconsin [Mr. WILEY] made this afternoon. Therefore I ask unanimous consent to have my speech on that subject printed in the body of the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

On June 23 of this year I dispatched a letter to the Senator from Tennessee [Mr. McKELLAR] expressing my own position relative to the reinstatement of the butter proviso in the Military Establishment Appropriation bill. That letter is already a part of the record of the hearings before the subcommittee of the Committee on Appropriations. In it I stated that the following proviso should be reinstated in the language of the bill, and I quote:

"Provided, That none of the money appropriated in this act shall be used for the purchase of oleomargarine or butter substitutes for other than cooking purposes, except to supply an expressed preference therefor or for use where climatic or other conditions render the use of butter impracticable."

Now, obviously, the wording of that proviso is broad enough to cover the question of preference in table spreads, since it specifically states that oleomargarine may be bought to supply an expressed preference for oleo on the part of the men and women in uniform. It also states with perfect clarity that oleomargarine may be purchased for use wherever climatic conditions operate against the use of butter. The oleo propagandists cannot justly complain of discrimination against their product in either of these respects. Therefore, we must look further in order to discover the reasons for their sudden insistence on replacing butter with oleomargarine on the mess tables of our Military Establishment.

Mr. President, I am speaking now not only as a sponsor of a motion to restore this proviso to the language of the bill, but also as a member of the Armed Services Committee. As a member of that committee, I have been very close to the problem of feeding and supplying our troops, and consider myself to be reasonably familiar with the needs and wishes of our service men and women. I would prefer to be heard as a member of that committee, because much of the fight to restore the butter proviso has been led by Senators from dairy States. My own great State of Oregon, while it is rich in dairy farms, is not primarily a dairy State, and I feel that I am speaking equally for the residents of Portland and other cities as well as for the best interests of agriculture as a whole when I urge that this proviso be restored.

I am advised that there was a significant factor which has not been mentioned in this debate in connection with the adoption of the butter proviso by the Seventy-first Congress. This factor had to do with the conflict between the executive and the legislative branches of the Government at the time. Heads of departments were then insistent that they have complete administrative discretion as to the administration of their own activities, and it was felt in Congress that some of this discretion was subject to abuse. This conflict between the legislative and the executive branches was settled when Congress took into its own hands the direction

of certain purchases for the armed forces, among other things.

The Seventy-first Congress had discovered that a certain amount of oleomargarine was being forced upon enlisted men, although officers were eating butter as usual. The Seventy-first Congress accordingly inserted the butter proviso into the Military Establishment appropriation bill of 1932 for the express purpose of protecting the health and well-being of our boys in uniform in all parts of the world. It sought to insure, by legal means, that our soldiers would always have butter wherever and whenever it was feasible to serve it, because butter is a basic food essential to a balanced diet.

True, butter had long been the recognized table spread in the Army prior to that time, but the proviso now in question was designed to protect our armed forces against possible arbitrary substitution, by Executive order, of an inferior imitation. For 18 years the wisdom of that proviso had never been questioned, except by the oleo lobby. For 18 years no Member of the Senate or the House had seriously proposed that we snatch butter from the mess tables of our armed forces, and replace it with a wholly synthetic substitute. Now, however, the indefatigable oleo lobby believes that the time is ripe to deplete the butter proviso from the National Military Establishment appropriation bill for 1950.

What is the excuse for this proposed action? I shall give you the exact wording of the report which seeks to condone the elimination of the butter proviso I have already quoted, plus the paragraph which follows it. The second proviso, which was also deleted, read as follows:

"Provided further, That no part of this or any other appropriation contained in this act shall be available for the procurement of any article of food or clothing not grown or produced in the United States or its possessions, except to the extent that the Secretary of the Army shall determine that articles of food or clothing grown or produced in the United States or its possessions cannot be procured of satisfactory quality and in sufficient quantities and at reasonable prices as and when needed, and except procurements by vessels in foreign waters and by establishments located outside the continental United States, except the Territories of Hawaii and Alaska, for the personnel attached thereto."

In excusing the elimination of both these provisions the House committee report said:

"The first proviso is unduly restrictive and imposes legal limitations upon what should properly be a matter of administrative discretion in the operation of the Army. For this reason, and in the interests of possible economies, the committee has deleted the proviso. The second proviso is not necessary, since the subject matter is covered by permanent law in the act of March 3, 1933 (U. S. C. 10a), and it has been deleted in the interests of brevity."

You will note that the butter proviso is characterized as being "unduly restrictive" because it imposes legal limitations upon administrative discretion. But let me remind my colleagues that this very question was the one which the Seventy-first Congress undertook to settle once and for all by writing the butter proviso into the appropriation bill for 1932. That Congress was unwilling to leave such matters as the proper equipment and feeding of the Army to "administrative discretion." The Congress deliberately sought to prevent arbitrary executive decisions in such matters, and did prevent it, by the wording in the very proviso which is under discussion today.

The House committee report also deleted a second proviso, as I have already mentioned, which merely stated that no part of the appropriation should be available for the procurement of food or clothing not grown or

produced in the United States or its possessions, unless the Secretary of the Army should determine that such articles could not be procured of satisfactory quality and in sufficient quantity at reasonable prices. The House committee report claimed that this second proviso was not necessary, since the subject matter was covered by permanent law. But what did the Senate committee say about his matter?

In the matter of the proviso for the protection of our cattle raisers, which I also favor, the Senate committee was not at all satisfied that purchases of meat for the Army could be left to executive discretion. Nor was it satisfied that the question of "reasonable prices" was amply covered by law. On the contrary, it wrote into the language of the Military Establishment appropriation bill a much more restrictive proviso covering meat purchases than was ever contemplated by the wording of the proviso for butter. It did not hesitate to trample on executive toes by telling the Army exactly how it should buy its meat—and let me repeat that I am thoroughly in favor of the Senate committee's action in this respect.

Furthermore, not being satisfied with the law in regard to meat purchases, the Senate committee went on to express in great detail its wishes in this matter, and in its own language. It was not satisfied that the phrase "at reasonable prices" would give adequate protection to our cattle raisers, so it called for purchases—and I quote—"at United States market prices." Where does this leave the arguments for the deletion of the butter proviso?

If the rigid provision which was designed to safeguard our cattle industry is not an undue legal limitation upon what should properly be a matter of administrative discretion, and I believe that it is not, why should it be argued that the butter proviso interferes with the operation of the Army? And if the necessary and important provisions for the procurement of meat are not satisfactorily covered by permanent law, in the opinion of the Senate committee, how can we now say that the purchase of table spreads at reasonable prices should be deleted "for reasons of brevity"?

If the permanent law is not specific enough to cover the question of supplying meat to men in uniform, why should we assume that purchases of table spreads are amply covered by the same law? And if we can tell the Army, as we should, not only how to buy its meat but how much to pay for it, how can we assure dairy farmers that the Army's purchases of butter ought to be left to executive discretion?

It may be said that these are the arguments of dairy farmers intent on the perpetuation of their own selfish interests, but to this I would reply that it is no more selfish for dairy farmers to seek the continuation of their vital industry than for the cattle raisers to seek—as they should—a continued and profitable market for livestock. Both forms of animal agriculture are extremely important to our American way of life. No Senator on this floor today would willingly injure either of these two branches of our agricultural economy. It is natural and right for dairymen and cattlemen to ask for our consideration of their problems, and it is natural and right that we should give them full measure of such consideration in return.

Nor may it be said that the oleomargarine interests are entirely unselfish in seeking to force their product on men and women in uniform. For 18 years the butter proviso has stipulated that oleo may be purchased and served to our armed forces where there is an expressed preference for substitute butter instead of real butter. Because no considerable number of service people have asked for oleomargarine, the oleo lobby now

seeks to make the armed forces eat oleo whether they like it or not. This strikes me as the height of selfishness.

No one seriously contends that the interests of 28 oleomargarine manufacturers are superior to those of 2,500,000 dairy farmers scattered throughout every State in the Union. No one seriously contends that oleomargarine is better than butter, even when colored yellow in imitation of butter. No one seriously contends that the climates of our various outposts throughout the world are such that oleomargarine ought to be substituted for 50 percent of the butter now procured by the armed forces, which is the proportion sought by the oleo lobbyists.

The arguments of the oleomargarine proponents simply do not hold water. I do not believe that the citizens of my great State of Oregon, whether they be farmers or city people, would be willing to see their friends and relatives in uniform do without butter merely to accommodate the oleomargarine interests. I could not expect the voters of my State to accept the oleo propaganda line in this matter, and I do not accept it myself. On the contrary, I urge my colleagues to re-instate the butter proviso, in the interests of common sense, and thus to preserve the confidence reposed in us by the families of American soldiers, sailors and airmen.

CREDIT AND BUYING PRACTICES IN THE PACIFIC NORTHWEST

Mr. MORSE. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD, as a part of my remarks, a very interesting letter sent to me by Mr. Mike Jenny, which he wrote to a number of businessmen in the State of Oregon, after completing a survey in the Pacific Northwest in regard to what is happening to the credit and the buying practices of a large number of consumers in that section of the Nation. Mr. Jenny is the president and manager of the Pioneer Service Co., of Oregon. In essence, this letter shows that a great many consumers are at present buying far in excess of true purchasing power, and that installment buying is once again placing in jeopardy the credit of a good many consumers. Mr. Jenny points out very clearly in his letter that the merchants and businessmen of the country had better take stock before it is too late. He tells what is happening to the ability of the consumers to buy, and suggests to American business that it better give heed to the need of reducing prices, so that businessmen will not wake up too late and discover that they have a lot of credit on their books and that the debtors will never have the ability to meet their obligations.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENTLEMEN: I have just returned from a 9-week trip which took me through eastern Oregon, the biggest part of Idaho, and part of Nevada, and after having a sales meeting of our district managers from Idaho, Utah, and Nevada at Burley, Idaho, I have another interesting report on conditions that pertain to the four States the Pioneer Service Co. operates credit boards in.

These figures that I am giving you are obtained from personal contacts that both my men and myself make daily; and when all is said and done I think these individual contacts are the most valuable that businessmen can get. They are not like having someone sitting back in Washington and other eastern and middle western centers report to you businessmen of the Northwest. This

information has been gathered from bankers, professional men (such as doctors, dentists, and hospital heads), all sorts of men connected with the building trade, sawmills, cattle and sheep men, mining men, farmers—in fact, men from all walks of life. I mean the men who carry the nosegay or the lunch bucket, white-collar workers, and retired businessmen.

The main question that my salesmen and I asked all of these men was, "Just supposing you were working on a salary somewhere between \$2,400 and \$3,000 a year, or less, taking an average of four to the family, how would you apportion your expenses?" Virtually everybody conceded that it costs at least \$100 a month or more for groceries, meat, and milk. We took a low average of \$50 a month rent, with water and light bills. Then when the smoke cleared away they agreed that they would have very little left to start in paying for medical supplies, clothing, fuel, and doctor and dental bills—nothing for taxes, and nothing for entertainment. According to one of our leading financial magazines, 53 percent of the families today are living on \$3,000 a year or less; mostly less.

Now, gentlemen, consumer credit is hitting around the nine billion mark. More and more people are going in debt for automobiles and other electrical contrivances, such as refrigerators, washers, and radios; and, due to the fact that there is no OPA, and Regulation W has been raised, doesn't this make a beautiful picture for the average business and professional men for the future?

I am not a pessimist; far from it. I am just one businessman who likes to lay the cards on the table face up and see what they tell. Any man, regardless of who he is—banker or other—who can read the future at all accurately certainly must be psychic. I haven't talked to one man, regardless of his social position, who will truthfully admit that he knows what it is all about. In fact, one banker who attended the Sun Valley Convention told a certain Idaho businessman who asked him what he thought, "Your guess is as good as mine. When I sit down and talk to my colleagues, I simply don't know what to tell them."

Now, here is the conclusion I have drawn after carefully reading the biggest of the Nation's financial magazines and some of our biggest and latest newspapers, and after contacting several hundred businessmen in all walks of life as well as private individuals who work for a living: Unless the high cost of groceries and rentals is kept down, the people who spend the money—that is, the working class—can't buy cars, washers, and radios, furniture, and other consumer credit articles unless they buy at the expense of the merchants. Consumer credit is pyramiding at a rate faster than ever before; and unless something is done to reduce the high cost of edibles it will be impossible for these people to buy cars and electrical contrivances and keep the factories running, because, gentlemen, they are not making enough money to do so.

I am going to ask each one of you this individual question: Taking a look at your own immediate cost of groceries, rent, water, light, telephone bills, and other expenses, how much money has a man on a salary that runs between two and three thousand dollars left after his necessary expenses are paid? It doesn't take a phrenologist to give the answer. And, remember, 53 percent of our people are living in that category, or on even less.

I heard a commentator talk over one of our national hook-ups last Monday night. I think it was Arthur Gates. He had been asked to relate the conditions that he found in some of the New England States. I was dumbfounded, because what he reported was so much worse than our conditions in the Northwest. Our lumber situation in Oregon is certainly a long way off the beam,

so many mills have either closed or are closing. Fires, also, are taking quite a few of them. That means that a lot of men are being thrown out of employment; and that in turn has far-reaching effects on most all of the industries in the Northwest, and will probably extend further back into the manufacturing districts.

After talking to quite a few salesmen who sell meat and other groceries, it seems to me that one of the biggest faults of our present economy is that many times the wholesale price cut isn't extended on to the consumer. I think there is a tendency to forget that the war is over and the gravy train has stopped running. Some merchants are making a sad mistake. They figure that they are still getting their long prices; but their cash customers are being forced to say, "Please charge it." These people are honest, but they have no sales resistance. This being a seller's market, many firms are putting their salesman in the field to sell these people cars and electrical contrivances; and before they know it these people are oversold. Now, it is true that many of them are selling with just as little down payment as possible in order to get the merchandise out of their own stores and warehouses, and in some cases to get the high finances on their paper. When these people do buy on the installment plan, they are not going to allow this merchandise to be repossessed if they can stall the average merchant, the doctor, the dentist, and the hospital.

If you could walk into our State and division office here in Eugene and see the thousands of names that the merchants and professional men are being forced to service in order to get their money, you would understand more about what I am trying to put across in this letter to you.

Now, our Pioneer Service Co., gentlemen, is your own organization. When you consider that it is the largest organization of business and professional men in the Northwest, you can see why we are able to give you information that is absolutely correct, in almost every case, because the debtor rates himself and the names come in over the signatures of all our members. There is no guesswork on the information that we print for you in our monthly credit reports. That is one reason why the Pioneer Service Credit Board information is so valuable to you. The average businessman will give us this information much sooner because he doesn't have to pay any commissions on his accounts and so feels more free to do so.

There is a bright side to the picture, just as it is claimed that every cloud has a silver lining. We here in the Northwest certainly ought to thank our lucky stars that we reside here, because we are not overpopulated and we have so much construction work to do on our roads and dams, and there are so many new schools, hospitals, and other public buildings that have to be constructed. We have so much of the raw materials that the rest of the United States needs that we are undoubtedly among the favored ones. If you will notice, you will see that big business is more than interested in our hydroelectric power, which means cheaper operating costs for them, and in turn means more prosperity for us all.

My suggestion to you is this: Don't rock the boat. Don't get overpessimistic. Try to buy safely and sanely. Don't let anybody oversell you. If you have any high-priced stock on your shelves, better do as this issue of the Nation's Business says: "Get rid of it, so you can buy on a falling market." Don't sit back and say, "This article cost me this much; I have got to have this profit." Now, it might go out of style on you and if it does you won't get that profit—and your loss is going to be greater than ever.

The sooner the average merchant realizes that he must take off his coat, get his head out of the clouds and his feet off the desk, and really goes to work, the better for him.

If a lot of our credit stores only knew it, the attitude they are taking by holding prices up is "duck soup" for the cash stores. Don't think for a minute that these cash stores don't make a good profit. They know they can sell for less if they can get the volume.

Here, gentleman, is food for thought, and I am standing behind every word I have written here 100 percent. If you could have made the contacts that I have made recently and that my district managers have made and reported to me, you would understand exactly how I feel.

Now, your credit department is the heart of your business. The Pioneer Service Co. throughout all these years has built up a vast reservoir of credit information that is second to none, and it is at your disposal at all times. Please watch that Blue Book that comes to you every 6 months. Quite a lot of our banks do not wish to loan any money on consumer credit to a man whose name is on that Blue Book; because, if a man couldn't pay his bill in the last 6 months, how is he going to pay in the next 6 months? You are going to find, gentlemen, that if you don't get your money off your books in the next few months you are not going to get it after Christmas because people always overbuy at Christmas.

If you men as a body cannot collect your money by shutting off an individual's buying power by not extending him credit, how in the name of common sense can you collect it through legal departments when every law that I can read is made to protect the dead beat? This is what I mean: Whenever a man can take bankruptcy for as low as \$75 and pay all his bills, and do it every 6 years, where do you have any protection, regardless of how much he owes? This is not a pleasant picture, is it? That is why your Pioneer Service Co. claims it is the greatest and cheapest collection service in existence, and that is why so many of our businessmen have remained our clients through the last 20 to 30 years that we have been in business. That reputation alone, gentlemen, speaks for itself.

My suggestion to you is to get out your Pioneer Service statement book. If any of your debtors won't answer a decent letter from you, or our little slip, "Credit is your greatest asset," I would say send them your first Pioneer Service credit board letter that gives them 10 days to come in and at least part-pay or arrange to pay their bill. Do not carry them longer, because after you carry your accounts 60 days you are paying interest on your own money. Pioneer Service application form for credit cards are now more valuable than ever because they give you the information you need in regard to consumer credit and earning power. By checking these cards carefully, you know how much credit the individual should have.

We are getting more inquiries today for our service (even from other States where we do not operate in such a large way as we do in Oregon, Idaho, Utah, and Nevada) than we have ever had before. Our service is effective anywhere in the United States and Canada and Alaska.

While I know this letter is quite lengthy, I have gone into some detail because other businessmen, including bankers, tell me that the reason they like the letters the Pioneer Service Co. is putting out is that they deal more particularly with our own trade area.

Please feel free to use our division office at any time for any information or as any other medium of help it can give you.

Thanking you for past favors, I remain,

Sincerely yours,

MIKE JENNEY

(W. H. (Mike) Jenney),

President and General Manager,
Pioneer Service Co., Inc.

P. S.—May I take this opportunity to ask you merchants to do one thing? Naturally,

you might say that Pioneer Service is trying to get more clients. That is true, but the point I would stress is this: The more merchants in the different counties and States we can have in our State-wide credit boards, the safer it will be for you merchants to do business on a credit basis. So many people are skipping around over the country, from State to State, that this exchange of information helps to protect us all. So I hope you will try your best to get your neighbors interested. None of us knows what the future holds. Remember, gentlemen, the strength of the pack is in all the wolves, not in just a single wolf. The dead beats have always been organized, and the only way to offset this is for all business and professional men to work through State-wide organizations and out of one division office such as your own Pioneer Service office at Eugene, Ore.

TAX EVASION BY NONPROFIT TRUSTS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD as part of my remarks a very informative article on tax evasion by nonprofit trusts, published in the Oregon Voter on August 13, 1949. I think it is one of the best articles on that subject I have read.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX EVASION BY NONPROFIT TRUSTS

With Loyola University purchase of Lake County sawmill and another California educational trust purchasing a hotel in Grants Pass and several commercial enterprises in Jackson County, the enterprises so owned become exempt from corporation excise tax in Oregon and enjoy that much advantage over industrial and commercial enterprises which must pay State excise tax. Up to date these institutions also have been able to withdraw industrial and commercial enterprises from income taxes levied on corporations by the Federal Government, thus obtaining even greater tax advantage over their competitors.

Contracts by which some of these properties are bought provide that payment to the private owners is to be made in installments of the exact amount of excise tax to be saved by the conversion from taxable to tax-exempt status. Some of the purchase contracts also provide that the selling owners continue in management of the properties under the new ownership. Thus the new owners acquire the properties without any cash outlay by themselves, while the former owners receive a high enough long-range price to induce them to part with their ownership in consideration of receiving as payments the sums which as private owners they would have been required to pay in Federal and State taxes on corporations. The arrangement is an ingenious one. It has been exposed in national publications and has been denounced in Congress and in the legislatures of States thus deprived of State revenues and whose private enterprises thus are subjected to tax-free competition.

Issue was sharply before the House Tax Committee of the 1949 legislature, but the best legal talent in the State was unable to formulate language which would correct the evil without threat of even more severe damage to Oregon's tax-exempt eleemosynary and educational institutions.

Nearest approach to a solution was a proposal that 90 percent of the net income from such operations be devoted to the objects of the religious, charitable, or educational institution. Each such institution would be required to report its income from all sources and its disbursements. As there are some thousand churches in Oregon; institutions of higher learning and charitable orders, which have heavy investments in income-bearing properties; numerous charities

both in and out of the State chest; and numerous societies (such as Red Cross, TB, etc.) maintained by contributions, the reporting requirements would be a great burden. Few of these agencies (outside of colleges like Reed, Willamette, Lewis & Clark, Linfield, Fox, and the major agencies of the chest) have an accounting set-up adaptable to annual net income analysis and reporting. Any such agencies operate commercial ventures as part of their public work—such as college bookstores, college restaurants, the Good Will factory and stores, the Salvation Army store, etc. Numerous churches own income properties and have activities which yield profit for them for their own religious purposes. For all of such agencies to be compelled to set up a system of tax accounting in order to meet the 90 percent requirement for exemption would impose a cost burden on them which in turn would have to be met by asking further contributions by their members or from the public. The added cost probably would exceed by far any early extra recovery that could be made for the State.

Facing that very practical difficulty, as outlined by the heads of educational, charitable, and religious corporations, and being informed that the United States Treasury Department and congressional committees were endeavoring to work out a formula that would accomplish the desired result without doing injury to institutions dependent on contributions and not on commercial operations which they could acquire without cash outlay, the tax committee decided to lay the problem over until the 1951 session.

Tax Administration News now reports progress in Congress, and also legislation enacted by the Province of Ontario. We quote, condensing:

ONTARIO PLAN

"Ontario act is unique; it represents an effort to curtail the growing practice of tax-free organizations acquiring income-producing properties and thereby withdrawing them from the tax rolls. Under the new law such institutions are prohibited from holding more than a 10 percent interest in any business. If received by gift, any excess over 10 percent must be disposed of within 7 years. So long as more than 10 percent is held the institution is required to report, under criminal penalties. Religious institutions are excluded from the provisions of the act."

FEDERAL PROPOSAL

"United States Senate subcommittee recommends amendment of Internal Revenue Code so no trust will receive benefits of tax exemption unless it pays 85 percent of each year's gross income to its beneficiary; and all such trusts which invest in or lend to concerns which manufacture goods which later enter into interstate commerce shall register, file reports, and file independent audits with Secretary of Commerce; all such agreements, reports, and audits to be public records."

Forrest E. Cooper, Lakeview attorney, took the primary initiative in bringing the situation to the attention of the Oregon Legislature. He was given active support by legislators, taxpayers, and commercial organizations of Lake, Klamath, Jackson, and Josephine Counties. The issue will be pressed in 1951, and it behooves the trustees of tax-free institutions and the taxed competitors of tax-free enterprises to look to their respective interests.

PRICE SITUATION WITH RESPECT TO CERTAIN AGRICULTURAL PRODUCTS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as part of my remarks, a very informative letter written by Mr. Morton Tompkins, master of the Oregon State Grange, to the Secretary of Agriculture. I suggest that Members

of the Senate give heed to the problem which the master of our State Grange points out in respect to what is happening in the so-called perishable commodity segments of agriculture, with particular reference to the fruit industry.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 20, 1949.

HON. CHARLES BRANNAN,
Secretary of Agriculture,
Washington, D. C.

DEAR MR. BRANNAN: This letter is for the purpose of calling to your attention two very serious situations relating to agriculture which we face here in the Pacific Northwest and, we presume, which are duplicated in nearly every other section of the Nation.

1. Growers of soft fruits in this section are face to face with a price situation which will mean financial ruin for many of them and is causing the needless waste of thousands of tons of fruit. Let me give a few illustrations.

(a) With the apricot harvest about midway, to our knowledge not a single canner has yet moved to make an offer of purchase to any grower. The talk in the cannery trade is that, if and when they do, they will offer no more than \$40 for No. 1's, with substantially less for No. 2's. Canners paid \$60 last year.

(b) Canneries paid \$70 a ton for peaches in 1948. This year, with the start of the harvest just a few weeks away, growers are talking hopefully of a price of \$40, but to date there has been no move on the part of the canners to offer even that amount.

(c) In 1948 canners paid \$45 a ton for prunes. Talk among the canners is that they expect to pay not more and probably less than \$30.

(d) Pears commanded \$130 a ton last year. Canners expect to pay no more than \$60 this year.

(e) The 1948 price of logan-, young-, and boysenberries was 12 cents a pound. This year they are paying 6 cents, which is hardly more than the cost of picking.

(f) With only a 50-percent crop, canners paid only 14 cents a pound for strawberries this year, compared with 21 cents last year, a 33 1/3-percent cut.

With respect to apricots, strawberries, logan-, young-, and boysenberries, it is probably too late to do anything this year. Many apricot growers are seriously considering pulling out their orchards because of the loss they are sustaining.

May I point out that all of the foregoing crops are of a type which require a substantial investment over a considerable period of time before the grower receives any returns.

Lacking a more adequate solution, which we believe should be provided in whatever long-range farm legislation Congress enacts, may we urge that immediate action be taken by Commodity Credit in bolstering this price situation through purchases as was done with pears a season or so ago. The situation is critical.

2. Closely related to the foregoing problem is another situation which we feel merits a full-scale congressional investigation. As you well know, there is a very natural inclination on the part of the consumers to blame farmers—and support prices—for high retail prices.

May I call your attention to a couple of cases which come to mind which demonstrate that such is not the case.

Last year potatoes were being supported in this area at an f. o. b. price of \$2.35 a hundred. The retail price was generally around 5 cents a pound. This year the support is \$1.40 and the retail price is still at 5 cents a pound and in many instances higher.

During the past several weeks prices of grass fat cattle, calves and lambs have taken cuts of 25 percent or more, with little or no reduction in retail meat prices. Packers report that meat consumption is down and that accounts for the low prices they are paying for livestock. We contend that if mark-ups on meat were reduced to where they normally should be that consumption would increase materially.

One of the best examples which comes to mind is strawberries. You will recall that earlier in this letter I mentioned that producer prices of strawberries were reduced from 21 cents in 1948 to 14 cents this year, a 33 percent cut. What has happened to the retail price of frozen strawberries? They have dropped from an average of 54 cents to 47 cents on the new pack, a 13 percent cut, and every penny of it out of the producer's pocket.

From this it would appear that food processors and distributors are retaining all of their high mark-ups of previous seasons and taking whatever price adjustments which seem necessary or expedient directly out of the pocket of the farmer, all the while letting him get the blame for high prices of food-stuffs. Frankly, we don't like it.

Examples of this kind may be found with respect to almost any agricultural crop one might name. A congressional investigation of this phase of our economy could not help but bring to light some startling facts and could, in and of itself, supply the incentive whereby it could be largely corrected.

May I again urge that you give these matters your most serious attention.

Sincerely,

MORTON TOMPKINS,
Master, Oregon State Grange.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HUMPHREY. Mr. President, I should like to call up the amendment which I offered a few days ago. I ask unanimous consent that that may be done.

Mr. SALTONSTALL. Mr. President, reserving the right to object, I understand from talking with the Senator from Minnesota that his amendment is agreeable to the committee.

Mr. HUMPHREY. That is my understanding.

Mr. THOMAS of Oklahoma. The Senator from South Carolina has been in charge of this class of legislation. If the amendment be agreed to, he will not offer the amendment which the committee authorized him to offer.

Mr. SALTONSTALL. I am informed that it will make it a little easier for business concerns to get contracts from the armed services.

Mr. HUMPHREY. That is correct.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 99, after line 19, it is proposed to insert the following new section:

SEC. 634. (a) Insofar as practicable, the Secretary of Defense shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds appropriated under this act by making available or causing to be

made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with funds appropriated under this act, and by making available or causing to be made available to purchasing and contracting agencies of the National Military Establishment information as to commodities and services produced and furnished by small independent enterprises in the United States, and by otherwise helping to give small business an opportunity to participate in the furnishing of commodities and services financed with funds appropriated by this act.

(b) The Secretary shall appoint a special assistant to advise and assist him in carrying out the foregoing subsection (a). A report of all activities under this section shall be prepared and transmitted to the Congress as soon as practicable after June 30, 1950.

Mr. THOMAS of Oklahoma. Mr. President, I believe there is one word in that amendment which should come out. The suggestion of the Senator from South Carolina was that in line 8, page 2, of the amendment, after the word "appoint," there should be inserted the words "or assign"; so that it would read "appoint or assign a special assistant to advise and assist him," and so forth.

The VICE PRESIDENT. Does the Senator from Minnesota care to modify his amendment in that respect?

Mr. HUMPHREY. I do.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota, as modified.

The amendment, as modified, was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, the amendments have been completed with respect to money. I wish to occupy just a moment. The monetary items as reported have been approved, and reductions have been made as follows:

Cash reductions in a total amount of \$540,981,322.

Contract authorizations have been reduced by the sum of \$577,755,000.

This makes a total in this particular bill of cash and contract authorization reductions in the total sum of \$1,118,736,322.

The bill makes a rescission in the stock-piling program in the total sum of \$275,000,000.

So that if the bill as passed is agreed to in conference it will carry a total reduction, in cash and contract authorizations, in the total sum of \$1,393,736,322.

This is the largest reduction ever agreed to in any appropriation bill ever passed by the Senate.

Mr. LUCAS. The Senator includes contract authorizations in the reduction he states?

Mr. THOMAS of Oklahoma. The appropriation is not made now for a contract authorization, but when we grant a contract authorization, in effect the appropriation is not made now, but it is to be made next year. It is the same thing as an appropriation, but it has delayed action.

I wish to compliment the Senate on agreeing to these items, and I compliment also two members of the Appropriations Committee staff who have been

assigned especially to look after this bill. One is Mr. Francis H. Hewitt, the secretary of the subcommittee, and the other, Mr. Kimball Sanborn, special staff member assigned to the Military Department Subcommittee.

Mr. President, this morning the Washington Post carried a story with respect to these reductions, and I have prepared a brief statement which I ask to have printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Is there objection?

There being being no objection, the statement was ordered to be printed in the RECORD, as follows:

This morning's Washington Post carried a page 1 story to the effect that "Defense Secretary Johnson was following instructions from the President when he ordered 147,000 civilian and military personnel cut from the Military Establishment." The story quotes the President as having said this yesterday.

In the past few days much has been said and written about the directives of the President and the Secretary of Defense in reducing expenditures for the Department of Defense.

I think it only fair to point out that the Senate Appropriations Committee deserves some of the credit for this economy move. In fact, the committee anticipated the President and the Secretary by at least a month, for in its report of July 22 the committee recommended a reduction of \$517,126,222 in the military budget for this fiscal year. This is the amount of cash reduction from the President's own budget estimates. The reduction from the House-approved bill, of course, is much higher, amounting to \$1,118,736,322 in cash and contract authorizations plus \$275,000,000 in stock piling, or nearly \$1,400,000,000 in all.

The reductions in the military appropriation were made with the cooperation of the Secretary of Defense, and I do not wish to deflect any credit from him on this score. However, it was only after considerable discussion of possible economies—based not on the Secretary's recommendations but on committee investigations—that the reductions as contained in the committee report were accepted by the Office of the Secretary of Defense.

Thus, the impetus for a reduced military budget, which is intended to strengthen rather than impair the fighting efficiency of our armed forces, was furnished by the Senate Committee on Appropriations and not by the President nor by the Secretary of Defense. I make this statement only to make the record clear and to give credit where credit is due.

Mr. WILLIAMS. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Delaware.

Mr. WILLIAMS. Will the Senator from Oklahoma tell us how the contract authorizations in this bill compare with the contract authorizations last year?

Mr. THOMAS of Oklahoma. The total of contract authorizations as reported to the Senate was \$2,058,546,000.

Mr. WILLIAMS. How much did they amount to last year?

Mr. THOMAS of Oklahoma. The amount in the bill as it passed the House was \$2,636,301,000. The amount of contract authorizations in the 1949 bill was \$270,000,000.

Mr. WILLIAMS. The contract authorizations this year, in the pending bill, are \$2,000,000,000 more than they were last year?

Mr. THOMAS of Oklahoma. Approximately that.

Mr. WILLIAMS. How do the cash appropriations compare with last year's totals?

Mr. THOMAS of Oklahoma. A supplemental bill for 1948 was passed, which should be considered in reaching a conclusion.

Mr. WILLIAMS. There is a 1949 supplemental bill, too; is there not?

Mr. THOMAS of Oklahoma. That may be true.

Mr. WILLIAMS. How does the amount of cash in the pending bill compare with that in the bill of last year?

Mr. THOMAS of Oklahoma. The amount of the appropriations for 1949 were \$10,454,477,413. Of course, the amount in the pending bill is substantially higher than in the bill passed last year.

Mr. WILLIAMS. Higher by \$2,000,000,000.

Mr. THOMAS of Oklahoma. Approximately that. Last year the contract authorizations were such that they had to be paid this year, and this bill carries the money to pay the authorizations of last year.

Mr. WILLIAMS. That was what I was asking for first. The contract authorizations in this bill to be appropriated for next year, are greater than they were in last year's bill?

Mr. THOMAS of Oklahoma. This bill carries the cash to pay authorizations made last year in the total sum of \$1,886,000,000.

Mr. WILLIAMS. But next year's appropriation bill will have to carry cash of over \$2,000,000,000 for contract authorization?

Mr. THOMAS of Oklahoma. If the authorizations are exercised.

Mr. WILLIAMS. So that we are spending about \$2,000,000,000 more than we spent last year?

Mr. THOMAS of Oklahoma. It is true this bill carries more than last year's bill.

Mr. WILLIAMS. Both more money and more authorizations?

Mr. THOMAS of Oklahoma. The figures speak for themselves.

Mr. SALTONSTALL. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SALTONSTALL. All the contract authorizations will not come due to be paid next year, if my memory is correct. Some of them will be paid 2 years from now.

Mr. THOMAS of Oklahoma. That may be true. I have not checked that.

Mr. DOUGLAS. Mr. President, I have a motion which I desire to make, for appropriate action, and then I wish to make a very brief statement.

The VICE PRESIDENT. The clerk will read the motion.

The Chief Clerk read as follows:

I move that the bill (H. R. 4146) be re-committed to the Committee on Appropriations with instructions to reconsider the amounts provided therein, for budgeted and nonbudgeted items, and to report the same back to the Senate with the smaller sums of money in all appropriations and contract authorizations wherever there is a difference between the amounts passed by the House

of Representatives and the amounts recommended by the Senate Appropriations Committee.

The VICE PRESIDENT. Inasmuch as an agreement has been made for a vote on Monday at 2 o'clock on the bill, a motion to recommit at this time does not seem to be in order. It will not be in order before the agreement is consummated and completed. It would be in order after the Senate had voted on all amendments, and just before a vote on the bill itself.

Mr. DOUGLAS. Mr. President, would it be appropriate for me, then, to withhold the proposed motion at this time, and to submit it at the appropriate time on Monday?

The VICE PRESIDENT. The Chair thinks so.

Mr. DOUGLAS. I thank the Chair. I should like, if I may, to make a very brief explanation of the purport of the motion.

The VICE PRESIDENT. The Senator from Illinois is recognized.

Mr. DOUGLAS. What my motion aims to do is to put into effect all the savings which the Senate has made in comparison with the bill as it passed the House, but in addition, to effect further savings of some \$275,000,000. There are 24 items, on which the House figures are lower than the Senate figures by at least \$400,000 and a great many more where the House figures are less than those recommended by the Senate committee. The motion proposes that wherever the Senate figure is lower than the House figure we accept the Senate figure, but that wherever the House figure is lower than the Senate figure, we accept the House figure. In this way, we can combine the economies of both the House and the Senate committee.

Mr. President, I have here a list of the major items on which savings will occur, which I should like to have permission to insert in the Record at this point.

The VICE PRESIDENT. Is there objection?

There being no objection, the list was ordered to be printed in the Record, as follows:

Amounts saved on individual items if the Douglas motion is accepted and the Senate accepts the House of Representatives amounts in H. R. 4146, where such amounts are lower than those recommended by the Senate Appropriations Committee

[All figures in millions]

Page	Line	Item	House of Representatives	Senate committee	Saving
3	23	Office of Secretary of Defense.....	\$9.0	\$11.5	\$2.5
4	12	Retired pay.....	180.0	190.8	10.8
8	2	Finance Service.....	1,448.4	1,453.4	5.0
10	12	Travel.....	77.0	85.7	8.7
14	13	Subsistence.....	255.0	274.9	19.9
16	5	Regular supplies.....	115.0	125.0	10.0
17	9	Clothing and equipment.....	192.0	207.5	15.5
18	18	Incidental expenses.....	104.9	107.3	2.4
21	25	Signal Service.....	200.0	207.4	7.4
25	5	Engineer Service.....	125.0	128.9	3.9
29	1	Ordnance.....	730.0	757.9	27.9
30	9	Chemical Service.....	35.0	36.3	1.3
46	16	Petroleum reserves.....	9.5	10.0	.5
47	11	Contingent expenses.....	1.1	1.7	.6

¹ Savings of less than \$400,000 on individual items not listed.

Amounts saved on individual items if the Douglas motion is accepted and the Senate accepts the House of Representatives amounts in H. R. 4146, where such amounts are lower than those recommended by the Senate Appropriations Committee—Con.

[All figures in millions]

Page	Line	Item	House of Representatives	Senate committee	Saving
52	15	Transportation and recruiting.....	\$32.0	\$32.9	\$.9
57	11	Maintenance of ships.....	357.5	358.0	.5
58	10	Construction of ships.....	18.7	101.7	83.0
59	6	Ordnance and ordnance stores.....	220.0	226.4	6.4
59	24	Ordnance for new construction.....	33.6	80.3	46.7
60	20	Subsistence.....	102.0	110.8	8.8
62	13	Fuel.....	65.0	69.0	4.0
63	18	Maintenance.....	153.0	155.8	2.8
65	3	Public works.....	52.0	53.2	1.2
68	18	General expenses.....	125.2	126.9	1.7
Total savings only on items where saving is over \$400,000.....					273.4

² Difference is largely due to transfer from 1949 appropriation, but would nevertheless be a saving of real substance.

Mr. DOUGLAS. Mr. President, if this program is carried into effect, it will be a very appreciable addition to the economy which the committee has already made. In view of the fact that it looks as though the deficit for the coming year will be at least \$6,000,000,000, and since we ran behind approximately \$1,700,000,000 in the first 53 days of this fiscal year, it seems to me that stringent action is called for, and I also believe that a much more effective way to save is for us to make economies ourselves, rather than wash our hands of them and throw the job upon the Executive.

The VICE PRESIDENT. The Chair may have been in error in stating to the Senator from Illinois that his motion would be in order on Monday, after the amendments are all disposed of, because that would nullify the unanimous-consent agreement to vote on the bill at a given hour. The Chair, therefore, withholds his decision on that point until Monday.

Mr. DOUGLAS. I thank the Chair.

I now send to the desk two amendments which I ask to have printed and lie on the table and also printed in the Record.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, as requested by the Senator from Illinois, will also be printed in the Record.

The amendments intended to be proposed by Mr. DOUGLAS are, as follows:

On page 87, line 25, strike out the figure "\$14,040" and insert: "\$14,040 on housing units for generals; \$12,040 on housing units for majors, lieutenant colonels and colonels, or equivalent; \$11,040 on housing units for second lieutenants, lieutenants, captains, and warrant officers, or equivalent; nor \$10,040 on housing units for enlisted personnel."

On page 88, line 2, after the comma strike out down to the period on line 4 and insert: "the cost per unit shall not exceed two times the cost of such units in the continental United States: *Provided*, That the cost of the land and improvements for all such housing, both within and outside the continental United States, shall not exceed 15 percent of the cost of the construction of such housing units."

RECESS

Mr. LUCAS. I move the Senate stand in recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 7 o'clock and 10 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Saturday, August 27, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate August 26 (legislative day of June 2), 1949:

MOTOR CARRIER CLAIMS COMMISSION

Thomas W. O'Hara, of Wyoming, to be Chairman of the Motor Carrier Claims Commission.

The following-named persons to be members of the Motor Carrier Claims Commission:

Ernest M. Smith, of Georgia.

Frank E. Hook, of Michigan.

UNITED STATES ATTORNEY

Clarence U. Landrum, of Minnesota, to be United States attorney for the district of Minnesota, vice Victor E. Anderson, deceased.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 26, 1949

The House met at 12 o'clock noon.

The Reverend Warren M. Marshall, Jr., M. A., B. D., pastor of the Oakland City Baptist Church, Atlanta, Ga., offered the following prayer:

O Lord, our Lord, how excellent is Thy name in all the earth. The very thought of Thee causes us to stand in adoration or bow with a deep sense of utter unworthiness. Thou art the source of every good and perfect gift. Thy mercies are new every morning and fresh every evening. Each day brings some new token of Thy love, some new proof of Thy mercy, some added expression of compassion.

Therefore, we beseech Thee to give us an abiding sense of gratitude. Make us to know that Thou alone art God. We owe allegiance to none other. We pledge anew our love and loyalty to Thee and Jesus our Saviour. Give us understanding hearts, responsive minds, submissive wills.

Bless these Thy servants of our great Nation.

Cleanse us from every wicked way. Redeem us and make us wholly Thine, through Jesus Christ our Lord, in whose name we humbly pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 102. Concurrent resolution to provide for the attendance of a joint committee to represent the Congress at the Eighty-third and final national encampment of the Grand Army of the Republic; and

H. Con. Res. 103. Concurrent resolution to provide funds for the expenses of the joint committee created pursuant to House Concurrent Resolution 102.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5300. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. BRIDGES, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3838. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. THOMAS of Oklahoma, Mr. O'MAHONEY, Mr. WHERRY, and Mr. GURNEY to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. LUCAS asked and was given permission to extend his remarks in the RECORD and include certain letters and editorials.

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD and include a report of the Committee on Expenditures.

Mr. BOLLING asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech by Mr. John A. Short.

Mr. MULTER asked and was given permission to extend his own remarks in the RECORD.

Mr. BREHM (at the request of Mr. ARENDT) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD and include a speech made at Miami by Secretary of the Navy Matthews.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in three separate instances and in each to include extraneous matter.

Mr. SMITH of Wisconsin. Mr. Speaker, I am advised by the Public Printer that one of the extensions I desire to make exceeds the limit established by the Joint Committee on Printing and will cost \$208. Notwithstanding the excess I ask unanimous consent that the extension may be made.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. COLE of Kansas asked and was given permission to extend his remarks in the RECORD in two instances and in each to include extraneous matter.

AUTHORITY FOR SPEAKER TO APPOINT COMMITTEES AND COMMISSIONS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that notwithstanding the adjourned periods of the House until September 21 the Speaker be authorized to appoint committees and commissions authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

AUTHORITY FOR SPEAKER AND CLERK TO PERFORM CERTAIN ACTS DURING RECESS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that notwithstanding the adjourned periods of the House until September 21 the Clerk may receive messages from the President and the Senate, and that the Speaker may sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

INVESTORS GIVEN TAX DEDUCTIONS

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, I have received many inquiries as to what the tax situation is with reference to American citizens making investments in the state of Israel. I am taking this means of answering those many inquiries.

Like other United States nationals who invest abroad, the tax responsibilities of the American who invests in Israel do not end with payment of Israeli taxes. He must also meet the requirements of the American tax law.

Each case of an American investor abroad is considered individually by the United States Bureau of Internal Revenue. In general, section 131 of the United States Internal Revenue Code provides a credit for taxes paid abroad on foreign income. Except in the instance of the subsidiary mentioned below, credit may be claimed for income taxes paid abroad, but not for payment of foreign corporate taxes. The credit may not exceed the United States tax due on this income.

Under section 131 of the United States tax law an American domestic corporation which owns a majority of stock of a subsidiary in Israel may claim United States tax credits according to a formula devised in the United States tax law